

Transitions to Sustainable Forest Management and Rehabilitation in Vietnam

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LIST OF ACRONYMS

BDS	Benefit Distribution System
CERDA	Centre of Research and Development in Upland Areas
CFM	Community Forest Management
COP	Conference of Parties
CPC	Commune People's Committee
CSDM	Centre for Sustainable Development in Mountainous Areas
CSO	Civil Society Organizations
DARD	Department of Agriculture and Rural Development
DOF	Department of Finance
DONRE	Department of Natural Resources and the Environment
DPI	Department of Planning and Investment
DPC	District People's Committee
DFP	Department of Forest Protection
DoF	Department of Forestry (within DARD)
FC	State-owned One Member Forestry Company
FPD	Forest Protection Department
FPDF	(Provincial) Forest Protection and Development Fund
FPIC	Free, prior and informed consent
ICA	Institution and Context Analysis
MARD	Ministry of Agriculture and Rural Development
MRV	Measurement, Reporting and Verification
NGO	Non-governmental Organizations
NP	National Park
PAMB	Protected Area Management Board
PanNature	Center for People and Nature Reconciliation
PFMB	Management Board for Protection Forest
PGA	Participatory Governance Assessment
PFES	Payment for Forest Ecological Services
PPC	Provincial People's Committee
REDD	Reducing Emissions from Deforestation and Forest Degradation
REDD+	Reducing Emissions from Deforestation and Forest Degradation, Sustainable Forest Management, Forest Conservation, and Enhancement of Carbon stocks
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework on Climate Change
UN-REDD	United Nations Programme to Reduce Emissions from Deforestation and Forest Degradation
VFF	Vietnam Fatherland Front
VNFOREST	Vietnam Forestry Administration

1 BACKGROUND

1.1 Ecological Factors

1.1.1 Geography of Vietnam

Vietnam is located in South East Asia. It is bordered by the China to the north, Laos to the northwest, Cambodia to the southwest, and the East Sea to the east. According to the General Statistic Office, Vietnam has an area of 329 241 sq km, with a coastline 3260 km long, approximately 75 % of Vietnam's land area is mountainous.

The total forest and forestland area of Vietnam is about 19 million ha, accounting for 57% of total country area, of which 12.61 million ha is covered by forests. The remainder 6.76 million ha is unused land, of which barren land on hilly and mountainous areas is 6.16 million ha, equivalent to 18.59% of the total national area (Prime Minister 2007). The gradual decreased distribution of barren land for the regions as follows: North East 28%, North West 21%, North Central Region 19%, South Central Coast 13%, Central Highlands 12%, South East 5%. Out of the total bare land area, 71% is located at the elevation less than 700 m and 38% of the area has slopes of 160–350.

The country has eight sub-regions (Figure 1), with considerable cultural differences between each sub-region. Northern Vietnam includes four sub-regions: Northwest, Northeast, Red River Delta and North Central Coast; Southern Vietnam includes the other four sub-regions: South Central Coast, Central Highlands, Southeast, and Mekong River Delta. Timber is mainly concentrated in three regions: Central Highlands: 33.8%, the North Central Region: 23%, and the South Central Region: 17.4%. The total cultivated area of non-timber forest products (NTFP) is 379 000 ha, mainly in the North Central Region, Central Highlands and North East Region (Prime Minister 2007).

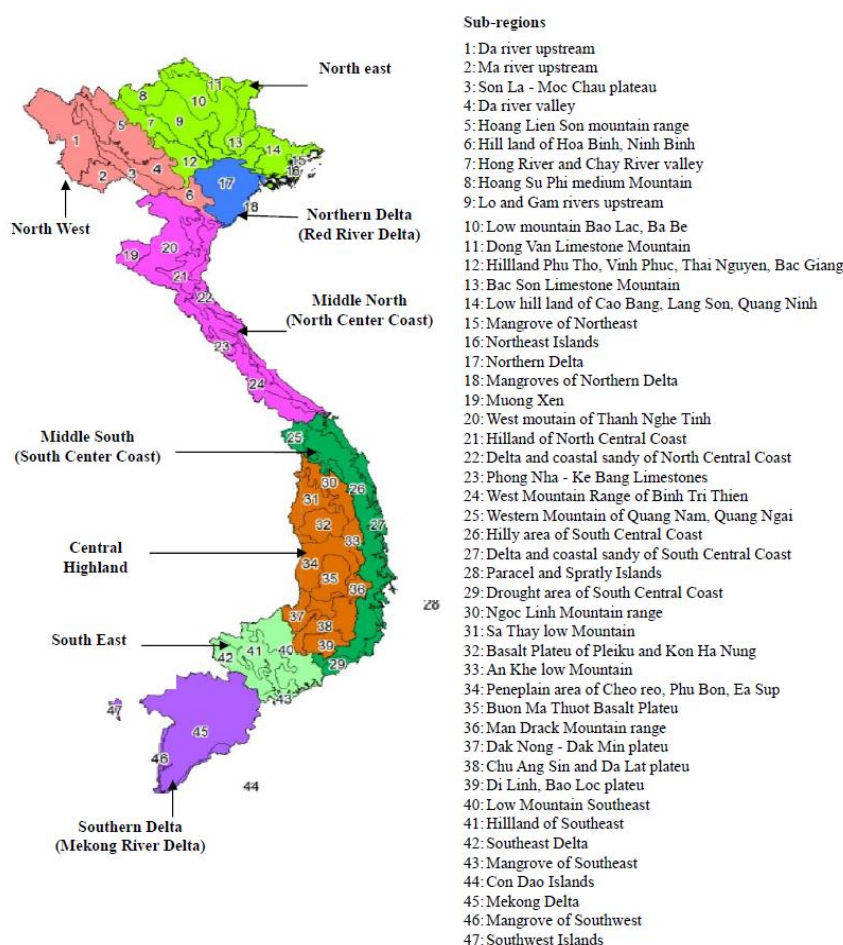


Figure 1. Geographical regions of Vietnam.

1.1.2 Climate

Vietnam's climate is tropical monsoonal, dominated by the south-westerly monsoons from May to October and north-easterly monsoons during the winter months. Annual rainfall averages between 1,300 mm to 3 200 mm but can be as much as 4 800 mm and as little as 400 mm in some areas (Averyanov *et al.*). Snow occasionally falls in the higher elevations in the north. In the south, temperatures rarely drop below 20°C; in the north, they seldom drop below 10°C.

1.1.3 Flora and Fauna

The country's flora and fauna combine influences from the Palaearctic Realm's Himalayan and Chinese sub-regions with the Indo-Malayan Realm's Sundaic sub-region. These overlapping biogeographic realms, along with relatively high variations in climate, soils and topography, give Vietnam a wide variety of flora and fauna. Vietnam is ranked 16th in biological diversity (An 2000, Lung 2000), containing 16% of the world's species, 10% of which are endemic.

The country is endowed with a richness of biodiversity, including 826 birds, 273 mammals, 180 reptiles, and 82 amphibians. Vietnam is home of 12 000 plant species (7 000 are higher plants, 622 fungi and 824 alga), of which 1 186 plant species (40% of the flora) are endemic to Vietnam. There are about 2 600 fish, and thousands of species of crustaceans and invertebrates.

However, the total volume of timber in Vietnam forests is rather low, at only 813.3 million cu m (6% from plantation forest and 94% from natural forest), and around 8.5 billion bamboo stems. With these forest resources, the present average in Vietnam is 0.15 ha forest/person and 9.16 cu m timber/person. Vietnam belongs to the low group of countries, in comparison with the international averages of 0.97 ha/person and 75 cu m/person, respectively (Prime Minister 2007).

According to MARD (2008), the total national forest area was 13.1 million ha (38.7% of land area) by end of 2008, including 10.3 million ha of natural forest and 2.8 million ha of plantation forests, which can be classified into the forest types as shown in Table 1.

Table 1. Forest vegetation types in Vietnam.

Forest types	Area (ha)
Evergreen and semi-deciduous broad-leaved forests	5 648 600
Deciduous forests	935 000
Coniferous forests	155 100
Bamboo and palms	1 464 800
Mangrove in saline swamps	34 700
Scrub	13 600
Total natural forest	8 251 800
Plantation	2 330 000

1.1.4 Climate Change Impacts

Climate change impact has become an increasingly ecological concern of Vietnam in recent years. According to IPCC (2007) Vietnam ranks among the top five most impacted countries who frequently and heavily affected by climate change. If the sea level rises by 1 m, the country would face losses totaling USD17 billion per year (VNS 2007) and 11% of Vietnam's population could be displaced (World Bank 2007). Among countries having coast lines, Vietnam ranks second in terms of impact on on agriculture, just behind Egypt (Waibel 2008, Dasgupta *et al.* 2007).

Rural people in Vietnam are already feeling the impacts of climate change. In the past 40 years, sea level has increased almost 9 cm. Sea level rise has already accelerated the speed of coastal erosion, threatening the destruction of mangrove forests, e.g. in Mekong River delta (ADB 2011). The storms and floods are increasing more and more, and they get stronger. Land lost and water shortages seriously impact on people's livelihoods and on food security, putting further pressure on remaining forests.

Vietnamese Government (2003) provided detailed predictions regarding climate change impacts in Vietnam in the future:

- The average temperature is estimated to increase 2.5°C in 2070. Temperature will also increase 2.5°C over the inland of Vietnam, particularly on the highlands; meanwhile the coastal area may experience an increase in temperature of 1.5°C on average.
- The sea level is estimated to rise 33 cm by 2050; 45 cm by 2070; and 1 m by 2100,
- The average high or low temperature is expected to rise. The number of days with temperature reaching 25°C or higher will also increase, which in turn affects community's environment, ecology systems, and quality of life.
- More extreme rainfall will increase: In the Central, rainfall would increase with approximately 19% in the rainy season and decrease in the dry season by 2070. The North and the South regions are affected by the Southwest monsoon but the seasonal rainfall amount will decrease in July and August and increase in September, October and November.
- Sea water is expected to invade to interior land and cause lost of habitat of fresh aquatic species. The area of mangrove forest will be narrowed, negative effects to indigo forest, planted forest and lost of shelter and reproduction of fresh aquatic species. The scope of tropical plant location arrangement will be broadened and subtropical plants is narrowed. The threat of extinction of endangered wildlife will be increased, some species will weaken. The risk of forest fire and epidemic increased (Vietnamese Government 2003). The poor and rural ethnic minorities who are closely dependent on agriculture for livelihoods will be at risk if crops fail due to unpredictable climate. People and communities that are already vulnerable will be more vulnerable to the impacts of climate change.

1.2 Economical Factors

1.2.1 GDP

Economic growth accelerated dramatically after the implementation of *Doi Moi* (renovation) in the late 1980s. Between 1991 and 2000 the average GDP growth rate was 7.5% annually. Over the last ten years, GDP has more than doubled. Vietnam's economy grew at 6.8% in 2010 despite difficulties and challenges in the wake of the global economic crisis. All sectors and branches posted a growth rate higher than 2009, with agriculture, forestry and fisheries expanding by 2.8 %, industry and construction by 7.7%, and the service sector by 7.5%. Export earnings totaled USD71.6 billion, representing a 25.5% increase as compared to 2009. Foreign direct investment (FDI) reached USD11 billion in 2010 after a severe plunge the previous year. In line with international observers, the government has identified soaring inflation as the main threat to macroeconomic stability.

For forestry development, economic growth provides both opportunities and challenges. There is more money for forestry operations, but there is also an increased demand for the services and products provided by natural systems. Higher incomes, for example, often increase the demand for wildlife products. Economic growth has to be alloyed with environmental sustainability.

1.2.2 Timber Production

There is an increasing tendency of wood production is shifting to plantations and trees outside forests. Imports of wood and other forest products are also rising. The shifts have been driven by several factors, including moves to set aside natural forests for provision of environmental services and the realisation that growing demands for wood and wood products cannot be met by natural forests. Many countries have imposed timber-harvesting restrictions or logging bans, although this has frequently shifted the problem from one geographical area to another.

Prior to 1995, the former Ministry of Forestry collated data on production and trade of forest product in Vietnam. A large amount of timber and fuelwood was harvested from natural forests whilst plantations were small in area and had not yet reached harvesting age.

However, since 1998, natural forests have been closed and the permitted annual cut has been set at 300 000 cu m. Volume figures for timber harvested from plantations were collated from cutting permits by MARD. Data included timber harvested by State Forest Enterprises and organisations managing large areas of forest, but did not account for harvests from small scale plantations and trees outside

forests. The latter were excluded because many farmers felled trees without cutting permits due to the laborious application procedures. Furthermore, even when permits were obtained, data was not effectively collected and volumes unaccounted for were significant, particularly in remote areas. In 1998, the volume of timber harvested with permits was 320 000 cu m. The figure for plantations and trees outside forests, collated from several organisations, exceeded 980 000 cu m in 1998 and 1.4 million cu m in 2000.

At present, 1.5 million cu m of roundwood are harvested annually from plantation forests and scattered trees. In 2010, timber export revenue marked the highest level ever, at about USD 3.4 billion, or 15 times higher as compared to the 2000's (Nguyen Ton Quyen 2011). On average, annual timber export revenue increased about 40% during the 2000–2010 period (ibid.).

Timber export revenues are an important component of Vietnam's overall gross domestic product (GDP) index. In Binh Dinh Province, revenue derived from timber export in 2010 contributed 60% of the province's total income. In Dong Nai Province, timber export revenues contributed approximately 20% of the provinces' income (ibid.). Vietnamese manufactured wood products are exported to over 120 countries. (See Annex 1 for details on main timber export markets).

The US, EU and Japan, account for more than 80% of Vietnam's export market for wood products, consisting primarily of bedroom, dining room, and kitchen furniture products (Hong Giang 2010). The US is by far the largest market, with almost three times the market share of the second highest market (Japan) and one of the only markets that maintained positive growth during the global economic crisis along with China, whose imports of Vietnamese goods increased 36% between 2008 and 2009.

In addition to traditional markets such as US, EU, Japan, and Australia, new markets are being actively explored by the government and industry, with specific thoughts about expanding into Russia, India, Central Asia and Eastern Europe (Nhat Son 2010). New markets such as India, UAE, Turkey have expanded quite quickly in recent years, albeit from a smaller base.

1.2.2.1 Domestic Markets

With over 87 million people and rapid developments in its estate market, Vietnam is sliding into the middle income country group. Domestic markets for wood products are increasingly recognized by government and industry as an important market which has been to-date dominated by other Southeast Asian suppliers.

Annual sales in the domestic market is estimated at around US\$ 0.8–1 billion in recent years (Nguyen Ton Quyen 2009b), or about 1/3 of export market revenue.

To date, the domestic market has been largely neglected by the Vietnamese companies, allowing this market to be supplied by Chinese, Taiwanese, Hong Kong, Malaysian, and Thailand imports. These countries currently account for approximately 80% of market share, with domestic products accounting for the remaining 20% (Nguy Hong 2010). Products sold in domestic markets are usually made from low value timber and MDF with reasonable prices and are targeted towards the low and middle income consumers in the country (ibid.).

Increasingly stringent requirements of export markets such as the California state New Formaldehyde Emissions Limits, EU Timber Regulation and amendments to the US Lacey Act requiring due diligence on legal sourcing has made the Vietnamese domestic markets more attractive. Industry perceives 3 main comparative advantages of domestic companies when competing with the foreign suppliers currently dominating the domestic markets:

- better understanding on market demands and culture of domestic consumers;
- 85% of domestic consumers buy products from existing traditional distribution networks such as retail systems, whereas almost all foreign company use the newly modern established systems; and
- lower transportation, distribution, and marketing costs (Nguy Hong 2010).

During its rapid expansion during the 2000s, the Vietnamese export-oriented industry received orders from international buyers, with the buyers providing product designs and controlling the distribution of products in export markets. As a result, the Vietnamese companies are in a weak position as they lack skills and capacity product design, marketing, and how to establishment of product distribution networks (Ngo Sy Hoai 2010). The burgeoning Vietnamese housing market will require a wide range of products -- from doors, moldings and flooring to chairs, beds, etc. At this point, most Vietnamese companies would have difficulty broadening its range of products (ibid.) especially as the individual domestic orders are likely to be smaller, resulting in higher transaction costs than required by larger bulk orders, and require more complex designs to satisfy the Asian consumer market preferences.

1.2.2.2 Timber Imports

In 2010, about 6.4 million cu m of roundwood equivalent (RWE) was needed to support Vietnam's growing wood processing industry. 1.6 million cu m of this supply originated from domestic supply. Vietnam imported 4–5 million cu m RWE, or 80% of the total raw material needed for its wood processing sector (Nguyen Ton Quyen 2009 a). Wood imported to Vietnam come from 600 different vendors from 26 different countries and territories (Infortv, August 2010).

In 2007, the import value was USD996 million, roughly 39.8% of the total export value. By 2010, this figure had increased to USD1.1 billion, but only 32.35% of the export value (Nguyen Ton Quyen 2011).

In terms of value, the three main products imported to Vietnam are sawnwood (6 mm), logs and roughly processed wood, and plywood (Customs Department as cited in Goviet 2011) China, Laos, Malaysia, Thailand, and Cambodia are among the largest timber exporters for Vietnam (Table 3). Imported value from these countries has shown an increase over 2009. Largest increases in 2010 were imports from China, Germany, Finland, Indonesia, and Laos. US imports are mainly hardwood sawnwood, whereas Southeast Asian imports are mainly logs and and sawnwood.

1.3 Social Factors

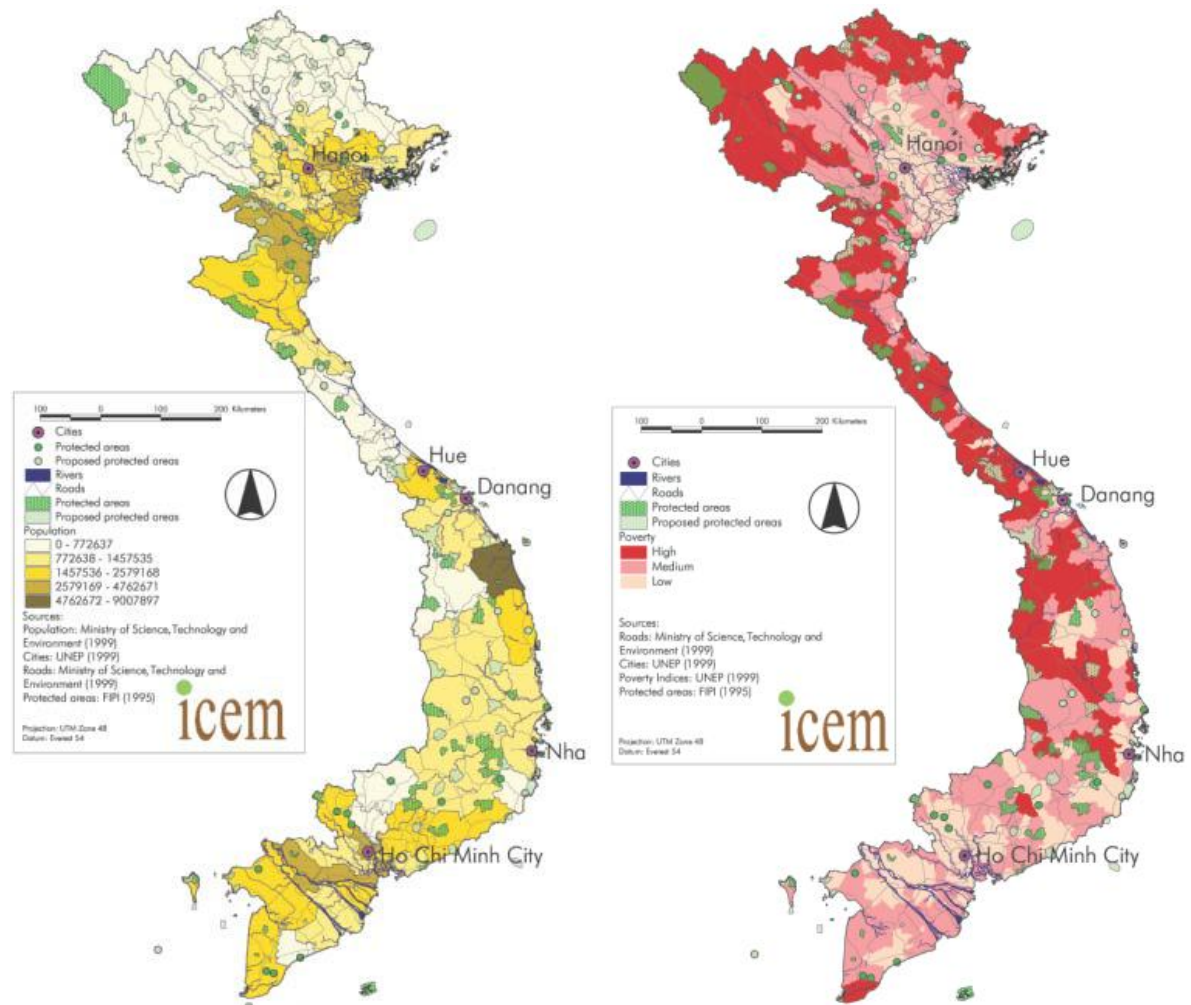
1.3.2 Population Development

During the past 100 years, Vietnam's population increased rapidly, from about 25 million in 1940 to 85 003 789 573 people in 2009, and becomes the third largest country in term of population in Southeast Asia (after Indonesia and the Philippines) and the thirteen largest population in the world. The great changes in Vietnam population occurred since 1975 (after the Vietnam War).

Vietnam has 54 different ethnic groups in which the Kinh ethnic group is the majority, accounting for nearly 90% of the whole population. Vietnam has considerable population density, with 263 persons per sq km (General Statistic Office 2009), that is 5 folds higher than the average global population density of 47 persons per sq km (GSO 2007). The population is unevenly distributed throughout the country as 29.6% of the population (25 374 262) living in urban areas, and the vast majority of people (70% of the population) are living in the rural areas (Khanh 2007). If the growth rate of population persist at 1.2%/year into the future, the Vietnamese population would increase approximately to 98.6 million by 2020 (Prime Minister 2007).

Currently, about 24 million Vietnamese living in or around forests, accounting for over one fourth of its total population depending on forest for food and income. Most mountain people depend on the harvesting and use of wood and non-wood forest products, and on forestland for their livelihood. They are often poor due mainly to geographical isolation, difficult access to markets, poor infrastructure, poor land quality, and lack of education and employment. The high rate of population growth in these areas puts additional pressure on the forests and forest land, thus exacerbating the rapid depletion of the forest in both quality and quantity (Meyfroidt and Lambin 2009).

Local people often suffer losses when a protected area is established yet receive few of the benefits. For the purpose of biodiversity conservation, communities within and near protected areas are sometimes restricted from carrying out their development activities. Many of the communes in the buffer zones are inhabited by ethnic minorities who are among the poorest of the poor. Local people often have little formal voice in a protected area's management, even though it has an important impact on their lives. Local communities have little incentive to ensure the forest's survival.



1.3.3 Ethnic Minority Groups

Many of Vietnam's protected areas are in ethnic minority areas. Ethnic minority groups comprise approximately 14% of the population. Their poverty mainly results from living in remote areas and lack of access to markets and arable land. Therefore, ethnic minority communities are often dependent upon natural resources in protected areas for their well being.

Forest provides a number of important benefits that help mitigate the impacts of poverty. In many remote locations, for example, forest provides medicinal plants, which are often the only form of medicine available for local use. They serve as "food banks" in times of food shortages. They provide clean water to surrounding communities and can help control flooding. Some protected areas also help conserve ethnic minority culture by protecting religiously important "spirit".

Ethnic minorities in Vietnam are important stakeholders in REDD+ to the extent that they depend on natural forests for their livelihoods and their tenure rights to forests and forestland, and they may make contributions to a more sustainable forest management and effective monitoring. This is probably more valid for minorities with a long history of association with particular forests than for migrant ethnic communities such as those migrating from the depleted forest regions of the north to the Central Highlands.

The Government regulates land use rights of ethnic minorities on forests and forestland. In addition to the nation-wide policies on forests and forestland allocation, the Prime Minister has issued Decision 304/2005/QĐ-TTg on 23/11/2005 on forestland allocation to individual households and local communities of the ethnic minorities in the Central Highlands. The Resolution 30a/2008/NQ-CP also has some special articles to deal with the tenure rights of ethnic minorities on forests and forestland.

The Government officially recognizes 54 ethnic minority groups, each with its own language, lifestyle and cultural heritage. The Committee for Ethnic Minorities with branch offices at local levels, consisting of representatives from various ethnic groups, is responsible for providing consultation and advice to the government on ethnic-related issues. Most if not all of these groups are forest dependent, particularly given that they prefer to remain isolated from lowland. Some are migratory and relatively new to the forest lands they currently occupy. None of these groups have political autonomy, but rather are represented by official representatives and committees such as the Committee for Ethnic Minorities (equivalent to a ministry) and the Committee for Ethnic Minorities at the National Assembly. Up to date, no local nongovernmental organizations have been registered to specifically advocate for the rights of indigenous peoples.

Vietnam has experienced some difficulties in successfully engaging local communities in forest dependent poverty alleviation activities. Some of the problems have been due to a lack of communication with the local groups on new laws and programs, the division of responsibilities between local government departments and cultural differences and interpretation of activities. However, poverty alleviation continues to be a central tenet within the country's forest strategies.

2 FOREST IN ECONOMY

2.1 Extent of Production Forests

Before 1960, natural forest was the dominant source of forest product production. In 1962, the first national park (Cuc Phuong national park) was set up and marked a break for the establishment of the special use forest system. Subsequently, a protection forest system aimed at watershed protection, erosion prevention and river mouth protection was also established. However, there still existed a large natural production forest area used for forest product supply. By the 1990s degradation and loss of natural production forest had become serious and in 1997 the Government therefore began limiting natural forest exploitation. During the early 1990s, the total annual wood volume exploited (natural and plantation forest) was around 4–4.5 million cu m.

Today, natural forest exploitation is around 150 000–300 000 cu m/year in addition to 2.5–3 million cu m/year from plantation forest (MARD 2007). Placing limits on natural forest exploitation was necessary to prevent further destruction. However, once natural forest is rehabilitated, exploitation, while ensuring sustainable forest management, should be seen as a crucial task of the forestry sector in order to meet increasing demand from the processing and exporting industry.

Following limitations on natural forest exploitation the area of plantation forest and particularly the area of plantation production forest, increased sharply from a total of 872 275 ha of plantation production forest in 1999 to nearly 1.7 million ha in 2006. Similarly, the total production forest area in 2006 rose to 13% above that in 1999, plantation production forest area increased by 92%. By the end of 2006 the national production forest area equalled 5.4 million ha and accounted for 42% of the total existing forest area.

Management attention has been focused on the establishment of intensive industrial material zones, sustainable management and use of production forest with emphasis on multi-purpose use and integration of rehabilitated natural forest into the exploitable forest area.

2.2 Forest Categorization and Classification

The classification of the three types of forests (special-use, protection and production) has been implemented throughout the country, creating a legal framework for the management, development and promotion of protection and exploitation of other benefits of forest. According to the alternative classification into 3 forest types, the area of special use forest amounted to 2,202,888 ha (17.1%), protection forest 5 268 789 ha (40.9%) and production forest 5,402,172 ha (42.0%). However, the forests are not evenly distributed throughout the country. In the Central Highlands, Central North and Northeast areas forest cover is high at over 40%, in the Southeast forest cover is nearly 20%. In the Red River Delta and Mekong River Delta, most of the area is used for agriculture and forest cover is below 10%. Since 2003 'Forest land' no longer includes bare land. There are two major issues related to forest classification, including: (1) planning for the 3 forest types is not clear on maps, it is only at the level of a master plan; (2) Plans of communes have not been approved and are not coherent with the master plan.

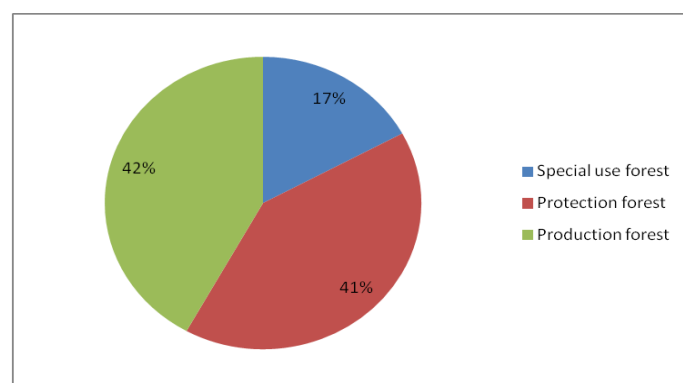


Figure 2. Forest classification in Vietnam.

2.3 Economic Values of Forests

Forestry is an economic sector that is greatly influenced by socio-economic change in Vietnam. The agriculture sector accounted for 15–16% of GDP in 2010 with industries and construction accounting for 43%–44% and services 40–41%. Total export value is expected to increase at 16%/year and the domestic harvested timber volume by 2020 is estimated at around 22–24 million cu m/year (MARD 2007).

Forest product processing will gradually rise to meet domestic demand and will increasingly contribute to the value of exports. The years 2002–2006 were considered a breakthrough period for Vietnam timber and forest product export. Vietnam timber product export value was US\$ 219 million in 2002 and US\$1.1 billion by 2004. After 2004, Vietnam maintained high growth rates in timber and achieved timber product export of 35% in 2005 and 24% in 2006. In 2006, the export value of timber and timber product export reached almost US\$2 billion and US\$2.5 billion in 2007. After only 6 years, export of Vietnamese timber products increased ten times.

Markets for timber and timber products export are large, and the timber industry is not too dependent on any particular market. In the last five years, Vietnamese timber products have been exported to 120 markets world-wide. Vietnam exported US\$3.7 billion worth of forest products by 2010 (US\$3.4 billion of timber products and US\$0.3 billion of NWFPs) and now aims to export over US\$7.8 billion worth by 2020 (US\$7 billion of timber products and US\$0.8 billion of NWFPs).

2.4 Forest Regulations

There were several key legal and policy leading to afforestation and forest rehabilitation as follow

- Jul. 1976: Ministry of Forestry established as a state organization responsible for forestry issues at the national level; benchmark for nationalization of forest resources.
- Jan 1981: Directive 100TC/TW issued by Central Communist Part, initiating reform in agriculture sector
- Aug 1988: Resolution 10/NQ/TW issued by the Central Communist Party, consolidating reform in the agriculture sector
- Aug 1991: Forest Protection and Development Law passed by the 8th National Assembly, making an effort to involve local people and different economic sectors in forest protection and development
- Jul 1993: Land law passed by the 9th National Assembly, stipulating the rights of title holders to lease, exchange, inherit, mortgage, and transfer land-use titles.
- Jan 1994: Government Decree 02/CP on allocation of forest land to local organizations, households and individuals
- Jan 1995: Government Resolution 01/CP on the allocation and contracting of land for agriculture, forestry, and aquaculture production to state enterprises
- 1998: Prime Minister Decision 661/QD-TTg on the objectives, tasks, policies, and organizations for the establishment of five million hectares of new forest
- 1999: Ministry of Agriculture and Rural Development Circular No. 56/1999/TT/BN KL
- guiding the development of regulations on forest protection and development to village/hamlets and communities
- Nov 1999: The Land Law, Forest Protection Law, and Resolutions 02/CP and 163/1999/ND-CP establish the following principles:
 - Households, individuals, and organizations are allocated land for long-term use and management. They have the right to exchange, transfer, rent, inherit, or mortgage the right to use the land allocated to them, and also the right to contribute their land as capital for joint ventures with domestic and foreign organizations and individuals in order to boost production.
 - Agencies, households, and individuals do not have to pay land-use fees for forest land reas allocated. Forest land allocation has an area limit of not over 30 hectares for households and individuals for a duration of 50 years. Upon expiry of the duration, if the land users wish to continue using the land and the land has been used for the correct purposes allocated, the State shall comply with that wish.
 - The policy is to increase the benefits to households and individuals involved in protection, forest management, and re-afforestation.

- Decisions No. 08/2001/QD-TTg and 178/2001/QD-TTg were issued to detail regulation of benefit-sharing and the obligations of the households and individuals allocated or contracted forest and forest land, including natural forests, production forests, and barren lands for reforestation, and maintenance for all three categories of protection, special-use, and production forests.
- Nov 2003: Land Law passed by the 11th National Assembly, recognizing the legal status of communities in land tenure
- Dec 2004: Forest Protection and Development Law passed by the 11th National Assembly, recognizing common property as a legal forest management

The legal documents that have major impact to forest development are listed in the subsequence.

Table 2. List of legal documents.

Number	Description	Date
1. Forest Management, Protection and Development		
Law		
29/2004/QH11	Law No. 29/2004/QH11 dated December 14, 2004 of the National Assembly on Forest Protection and Development	14/12/2004 Effect 01/04/2005
52/2005/QH11	Law No.52/2005/QH11 dated December 12, 2005 of the National Assembly on Environmental Protection	12/12/2005 Effect 01/07/2006
20/2008/QH12	Law No. 20/2008/QH12 dated November 28, 2008 of the National Assembly on Biodiversity	28/11/2008 Effect 01/07/2009
45/2009/QH12	Law No. 45/2009/QH12 dated December 04, 2009 of the National Assembly on Royalties	04/12/2009 Effect 01/07/2010
Decree		
23/2006/ND-CP	Decree No. 23/2006/ND-CP dated March 03, 2006 of the Government on the implementation of the Law on forest protection and development	03/03/2006 Effect 25/03/2006
119/2006/ND-CP	Decree No. 119/2006/ND-CP dated October 16, 2006 of the Government on organization and operation of the forest protection service	16/10/2006 Effect 15/11/2006
48/2007/ND-CP	Decree No. 48/2007/ND-CP of March 28, 2007 on the principles and methods of determining prices of forests of different types	28/03/2007 Effect 04/05/2007
01/2008/ND-CP	Decree No. 01/2008/ND-CP dated January 03, 2008 of the Government defining the functions, tasks, powers and organizational structure of the Ministry of Agriculture and Rural Development	03/01/2008 Effect 26/01/2008
50/2010/ND-CP	Decree No. 50/2010/ND-CP dated May 14, 2010 of the Government detailing and guiding a number of articles of the Law on Royalties	14/05/2010 Effect 01/07/2010
117/2010/ND-CP	Decree No. 117/2010/ND-CP date December 24, 2010 of the Government on organization and management of the special-use forest system	24/12/2010 Effect 01/03/2011
Decisions		
Decisions of The Prime Minister		
186/2006/QD-TTg	Decision No. 186/2006/QD-TTg dated August 14, 2006 of the Prime Minister promulgating the Regulation on forest management	14/08/2006 Effect 07/09/2006

18/2007/Q D-TTg	Decision No. 18/2007/QD- TTg dated February 05, 2007 of the Prime Minister approving Vietnam's forestry development strategy in the 2006-2020 period	05/02/2007 Effect 03/03/2007
147/2007/QD-TTg	Decision No. 147/2007/QD-TTg dated September 10, 2007 of the Prime Minister on a number of policies for development of production forests in the 2007-2015 period	10/09/2007 Effect 07/10/2007
39/2009/QĐ-TTg	Decision No. 39/2009/QD-TTg dated March 09, 2009 of the Prime Minister promulgating the regulation of cooperation between forest ranger and civil defence force on forest protection mission	09/03/2009 Effect 09/03/2009
73/2010/QĐ-TTg	Decision No. 73/2010/QD-TTg dated November 16, 2010 of the Primary Minister promulgating the regulation of management of investment in construction of silviculture work	16/11/2010 Effect 01/01/2011
34/2011/QD-TTg	Decision No. 34/2011/QD-TTg dated June 24, 2011 of the Prime Minister amending and supplementing a number of articles of the Regulation on forest management promulgated together with the Prime Minister's Decision No. 186/2006/QD-TTG of August 14, 2006	24/06/2011 Effect 19/08/2011
1240/QD TTg	Decision No. 1240/QD-TTg of the Prime Minister approval on the proposal of pilot forest inventory project in Bac Kan and Ha Tinh Province	22/07/2011 Effect 22/07/2011
66/2011/QD-TTg	Decision No. 66/2011/QD-TTg dated December 9, 2011 of the Prime Minister amending and supplementing a number of articles of Decision No. 147/2007/QD-TTg of September 10, 2007, on a number of policies for development of production forests during 2007–2015	09/12/2011 Effect 01/02/2012
57/QĐ-TTg	Decision No. 57/QD-TTg dated January 09, 2012 of the Prime Minister approving the forest protection and development plan during 2011–2020	09/01/2012 Effect 09/01/2012
07/2012/QD-TTg	Decision No. 07/2012/QD-TTg dated February 08, 2012 of the Prime Minister promulgating some regulations on intensified enforcement of forest protection.	08/02/2012 Effect 30/03/2012
126/QD TTg	Decision No.126/QD-TTg dated February 02, 2012 of the Prime Minister promulgating the piloting benefit sharing mechanism of management, protection and development for special- use forests	02/02/2012 Effect 02/02/2012
Decision of The Minister of Agriculture and Rural Development (MARD)		
3031/1997/QĐ-BNNPTNT	Decision No. 3031/1997/QD- BNNPTNT of MARD promulgating the regulation of defining the forest boundaries and setting up landmarks amongst three forest types	20/11/1997 Effect 05/12/1997
516/QĐ-BNNKHCN	Decision No. 516/QĐ-BNN-KHCN dated February 18, 2002 of the Minister of MARD promulgating technical procedure on planning operation design	18/02/2002 Effect 18/02/2002

78/2002/QĐ-BNNKL	Decision No. 78/2002/QĐ-BNN-KL dated August 28, 2002 of Minister of MARD promulgating technical procedure on forest and forestland monitoring of forest ranger	28/08/2002 Effect 13/09/2002
61/2005/QĐ-BNN	Decision No 61/2005/QĐ-BNN dated October 12, 2005 of MARD promulgating the regulation on norms of protection forest classification	12/10/2005 Effect 06/11/2005
62/2005/QĐ-BNN	Decision No 62/2005/QĐ-BNN dated October 12, 2005 of MARD promulgating the regulation on norms of special-use forest classification	12/10/2005 Effect 06/11/2005
2. Climate Change and REDD+		
Decision		
Decision of the Prime Minister		
47/2007/QĐ-TTg on climate change in the 2007–2010 period	Decision No. 47/2007/QĐ-TTg dated April 06, 2007 of the Prime Minister approving the plan on organization of the implementation of the Kyoto Protocol under the United Nations framework convention	06/04/2007 Effect 20/05/2007
158/2008/QĐ-TTg	Decision No. 158/2008/QĐ-TTg dated December 02, 2008 of the Prime Minister approving the national target program on response to climate change	02/12/2008 Effect 26/12/2008
2139/QĐTTg	Decision No. 2139/QĐ-TTg dated December 05, 2011 of the Prime Minister approving the national strategy for climate change	05/12/2011 Effect 05/12/2011
799/QĐTTg	Decision No.799/QĐ-TTg dated June 27,2012 of the Prime Minister approving the national REDD action programme in the 2011 – 2020 period	27/06/2012 Effect 27/06/2012
Decision of The Minister of Agriculture and Rural Development (MARD)		
2730/2008/QĐ-BNNKHCHN	Decision No 2730/QĐ-BNN-KHCN dated September 05, 2008 of the Minister of MARD on promulgation of the Climate Change Adaptation Framework Action Program for all bodies involved in agriculture and rural development in the 2008 – 2020 period	05/09/2008 Effect 05/09/2008
2614/QĐBNN-LN	Decision No. 2614/QĐ-BNN-LN: Establishment of the National Network and Working Group for Reducing Emissions from Deforestation and Degradation (REDD)	16/09/2009 Effect 16/09/2009
3232/QĐ-BNNHTQT	Decision No. 3232/QĐ-BNN-HTQT of MARD approving the project “Reducing Emissions from Deforestation and Degradation through Alternative Land uses in Rainforests of the Tropics” by EU funding.	01/12/2010 Effect 01/12/2010
39/QĐ-BNNTCCB	Decision No. 39/QĐ-BNN-TCCB of MARD on establishing Steering Committee on REDD+ in Vietnam)	07/01/2011 Effect 07/01/2011
18/QĐ-TCLN-VP	Decision No. 18/QĐ-TCLN-VP dated 19 January 2011 of VNFOREST on establishing Vietnam REDD plus Office	19/01/2011 Effect 19/01/2012
543/QĐ-BNNKHCHN	Decision No. 543/QĐ-BNN-KHCN of MARD to promulgate the Action Plan on Climate Change response of agriculture and rural development sector in the period 2011 – 2015 and vision to 2050	23/03/2011 Effect 23/03/2011

3119/QĐ-BNNKHCN	Decision No. 3119/QĐ-BNN-KHCN of MARD dated December 16, 2011 on approving Programme of Green House Gas (GHG) emissions reduction in the Agriculture and Rural Development sector up to 2020	16/12/2011 Effect 16/12/2011
3. Payment for Forest Environment Services		
Decree		
05/2008/NĐ-CP	Decree No. 05/2008/NĐ-CP dated January 14, 2008 of the Government on Forest Protection and Development Fund	14/01/2008 Effect 04/02/2008
99/2010/NĐ-CP	Decree No. 99/2010/NĐ-CP dated September 24, 2010 of the Government on the policy on payment for forest environment services	24/09/2010 Effect 01/01/2011
Decision		
Decision of The Prime Minister		
380/QĐ-TTg	Decision No. 380/QĐ-TTg of the Prime Minister on the pilot policy on payment for forest environment services (Click here)	10/04/2008 Effect 10/04/2008
2284/QĐTTg	Decision No. 2284/QĐ-TTg dated December 13, 2010 of the Prime Minister approving the scheme on implementation of the Government's Decree No. 99/2010/NĐ-CP dated September 24, 2010, on the policy on payment for forest environment services	13/12/2010 Effect 13/12/2010
Decision of The Minister of Agriculture and Rural Development (MARD)		
114/2008/QĐ-BNN	Decision No.114/2008/QĐ-BNN of MARD on establishing Vietnam Forest Protection and Development Fund	28/11/2008 Effect 13/12/2008
135/QĐBNN-TCLN	Decision No.135/QĐ-BNN-TCLN of MARD approving the scheme on implementation of the Government's Decree No. 99/2010/NĐ-CP dated September 24, 2010, on the policy on payment for forest environment services	25/01/2011 Effect 25/01/2011
4. Other legal documents		
Land Use Planning		
13/2003/Q H11	Law on Land No. 13/2003/QH11	10/12/2003 Effect 01/07/2004
17/2011/QH13	Resolution No. 17/2011/QH13 dated November 22, 2011 of the National Assembly on the land use planning up to 2020 and national five-year (2011–2015) land use plan	22/11/2011 Effect 22/11/2011
181/2004/NĐ-CP	Decree No. 181/2004/NĐ-CP dated October 29, 2004 of the Government on the implementation of the Land Law	29/10/2004 Effect 16/11/2004
04/2005/QĐ-BTNMT	Decision No. 04/2005/QĐ-BTNMT of the Minister of MONRE promulgating the establishing procedure and adjustment of land use planning and land use plan issued	30/06/2005 Effect 04/10/2005
150/2005/QĐ-TTg	Decision No. 150/2005/QĐ-TTg dated July 12, 2005 of the Prime Minister approving the restructure plan on agriculture, forestry and fishery productions by 2012 and vision up to 2020	20/06/2005 Effect 12/07/2005
112/2008/QĐ-BNN	Decision No. 112/2008/QĐ-BNN dated November 19, 2008 of MARD promulgating the economic- technical norm on forest allocation, forest lease and certificate issue for tenure in forestry purpose associate with development of	19/11/2008 Effect 18/12/2008

800/QĐ-TTg	forest management dossier. Decision No. 800/QĐ-TTg dated June 4, 2010 of the Prime Minister approving the national target program on building a new countryside during 2010–2020	04/06/2010 Effect 04/06/2010
Timber and Non Timber Logging		
04/2004/QĐ-BNNKL	Decision No. 04/2004/QĐ-BNN-KL of MARD dated February 2, 2004 promulgating the regulation on timber and non timber logging	02/02/2004 Effect 17/02/2004
59/2005/QĐ-BNN	Decision No. 59/2005/QĐ-BNN of MARD dated October 10, 2005 promulgating the regulation on inspection and control of forest products.	10/10/2005 Effect 06/11/2005
Forest Enterprises		
28-NQ/TW	Resolution No. 28-NQ/TW dated June 16, 2003 of Politburo on the continuing of rearrangement, innovation, and development for agriculture and forest enterprises.	16/06/2003 Effect 16/06/2003
200/2004/NĐ-CP	Resolution No. 200/2004/ND-CP of Vietnam Government on rearrangement, innovation of forest enterprises.	03/12/2004 Effect 04/01/2005
142/2012/QĐ-TTg	Decision No. 142/2012/QĐ-TTg of June 19, 2006, approving the scheme on reorganization and renewal of state-run agricultural and forestry farms under the Ministry of Agriculture and Rural Development	19/05/2012 Effect 1/06/2012

2.5 Forestry Administration

The structure of state forest management in Vietnam is set up from central (national) to communal levels with functional agencies and administrative bodies of the state.

At the national level, Ministry of Agriculture and Rural Development (MARD), as part of the Government, is responsible for management of forest resources. Within MARD, two departments are in charge of forestry issues; Department of Forestry (DoF) and Forest Protection Department (FPD).

- DoF is responsible for forest management, utilization and development. Within DoF, there are three technical divisions responsible for forest management, forest development, and forest utilization. DoF is based in Hanoi and has one representative office in Ho Chi Minh City
- FPD is in charge of forest protection and forest law enforcement. Technical divisions within FPD include division of forest protection, division of nature conservation, division of legal inspection, and a special task force. FPD headquarters in Hanoi and has three regional offices

At the provincial level, MARD is represented by Departments of Agriculture and Rural Development (DARD). In each province, the sub-DoF and sub-FPD, the line agencies of DoF and FPD, are under DARD.

At the district level, the economic division (or the agricultural division in some cases) is responsible for forest management. The district Forest Protection Unit (FPU) is independent of the economic division and reports directly to sub-FPD at the provincial level.

At the commune level, there is one agriculture and forestry official based in the Communal People Committee (CPC). This official is supported by a field level forest protection agent from the district FPU. Administration of Forest Protection Agents is complicated, as some fall under MARD; others under DARDs, PPCs, or other agencies.

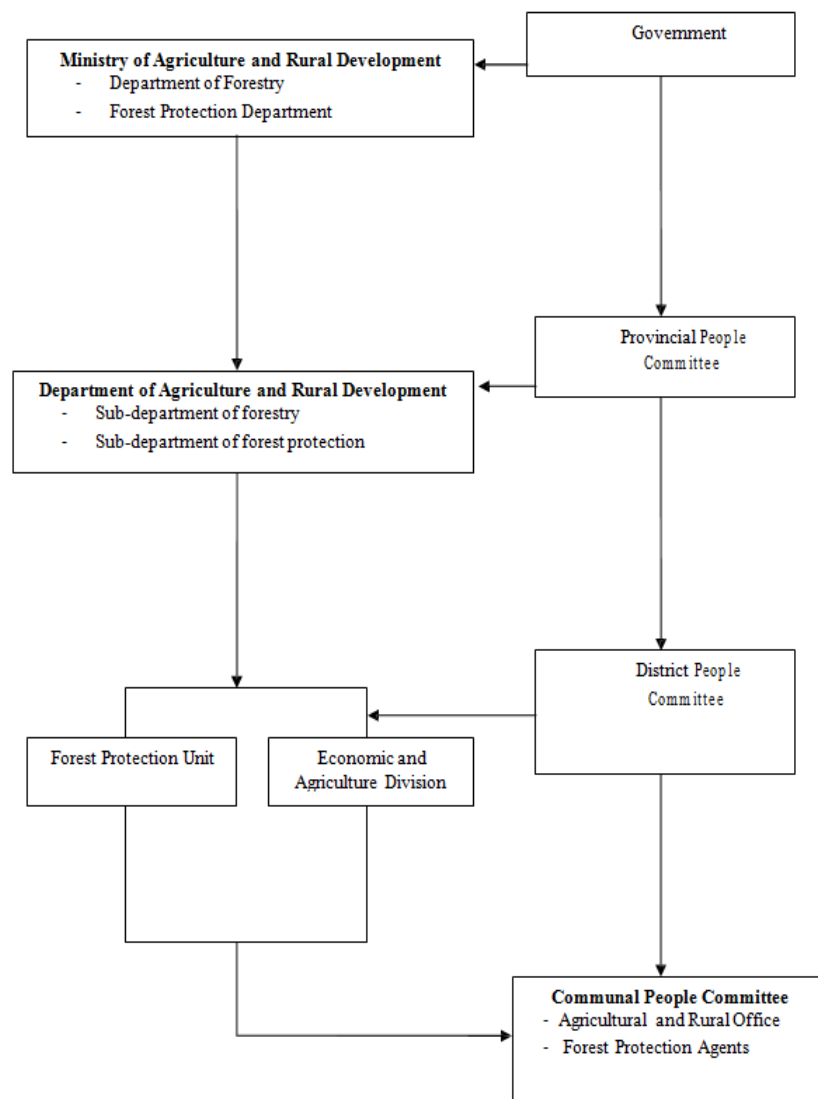


Figure 5. Institutional structure of Forest Sector.

2.6 Forest Ownership

In Vietnam, land including forest land is owned by the State (Vietnamese Government 1999). However, forest land can be allocated to organizations or individuals for the purpose of afforestation for 50 years at most and is reverted to the government after the allocated time (renewable). Decree no. 23/2006/ND-CP (Vietnamese Government 2006) recognizes five rights of the titleholder: inherit, transfer, exchanges, mortgage, and leases, but forest land can only be used for forestry purpose unless having authorized approves. At present, eight different forest-owner groups are recognized (Hawkins *et al.* 2010):

- (i) State-owned companies (SOCs): are set up and owned by the state to manage state-owned woodlands.
- (ii) Protected area management boards (PAMBs): have the task to manage special use forests identified for their high environmental, biodiversity or cultural significance, including National Parks.
- (iii) Individual households: Households that have received forest land titles from the state. These are different from households that are contracted by various state agencies (SOCs, PAMBs) for forest protection but without any land title.
- (iv) Communities and Other organizations (e.g. Youth Union, Women's Union, and Farmers' Associations) that receive forest land along with titles.
- (v) Armed forces: in charge of forest areas mainly for national security purposes.
- (vi) Communal people's committees: CPCs serve as temporary custodians of forest areas that were formerly managed by SOCs and which are in the process of being allocated to other stakeholders (e.g. households or communities). CPCs therefore do not have full tenure rights to the forest areas under their management.
- (vii) Other economic entities: In charge of safe-guarding the protection forests and commercializing the production forests allocated to them, e.g. joint-venture companies working in forestry field.

The first five of these groups account for well over 90% of all forest areas. In terms of tenure arrangements, SOCs, and households are allocated forest for long-term management (typically 50 years) and are entitled to land use certificates that legalize their control. Although state owned companies (SOCs) have recently been restructured and have had to return part of the forest under their management to the state for allocation to the other stakeholders, they have dominant role. In many provinces, particularly in the central and southern parts of the country, SOCs not only manage the forest allocated to them but also control the forest they used to manage.

Management boards for Protection Forest (PFMBs), Management boards for Special Use Forest (PAMBs), and People's committees at the commune level (CPCs), and households are typically allocated forest for an unspecified period. Management boards are entitled to receive state budget for forest management. CPCs often serve as temporary custodians of forest that was formerly managed by SOCs and is in the process of being allocated to other stakeholders (e.g. households or communities). CPCs therefore do not have full tenure rights to the forest under their users. In practice, such areas often turn into "open access" zones as many CPCs do not have sufficient staff to manage the forest under their care.

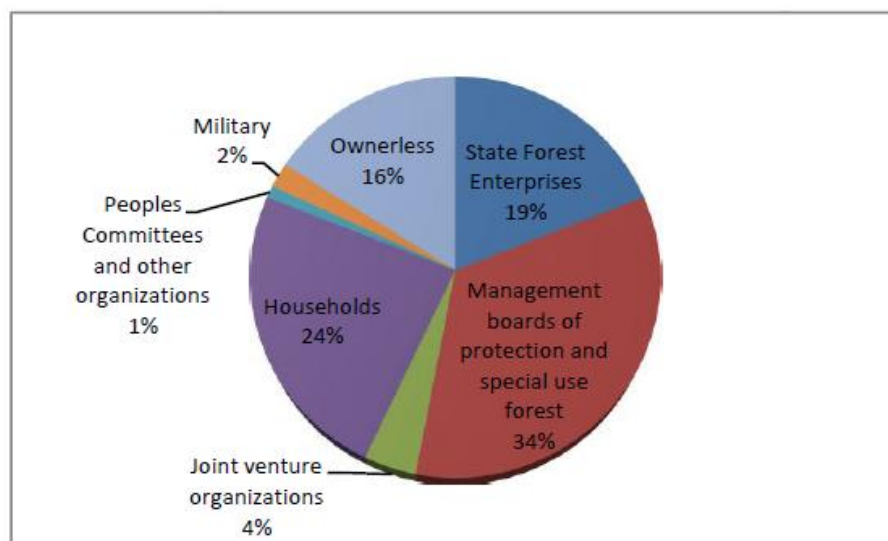


Figure 6. Forest tenure holders in Vietnam.

The government has implemented the policies on forest and forestland allocation to organizations, households, individuals and other legal economic entities. The transfer of longterm land use rights has occurred under a framework comprised of the following key policy documents:

2.7 Major Factors Influencing the Outcomes of Forest Land Allocation

Positive factors:

- Linearization of increase in agriculture output (Sikor 2001)
- Availability of new technologies (Sikor 2001)
- Support from donor-led initiatives (Neef and Schwarzmaier 2001, Nguyen 2005, Phu Loc 2000, Roth 2005, Vo 2000)
- Market opportunities for fruit trees, cash crops, and plantation (Roth 2005, Sikor 2001)
- Response to the needs of local people (Nguyen *et al.* 2004, Nguyen 2005)

Negative factors:

- Unclear policies and guidance (Dinh and Research Group of VFU 2005, MARD 1998, 1999)
- Incompatibility with local practices (Nguyen 2006, Sikor 2001, Sunderlin and Huynh 2005, Tran and Sikor 2006)
- Lack of coordination among concerned agencies (Neef and Schwarzmaier 2001)
- Lack of economic incentives (Nguyen 2006b, Senderlin and Huynh 2005)
- Influence of power relations (Nguyen 2006a, Sikor and Nguyen 2007, Sunderlin and Huynh 2005)
- Poor or inaccessible forests (MARD 1998, 1999, Sunderlin and Huynh 2005)
- Lack of follow-up support (MARD 1998, 1999, Sunderlin and Huynh 2005)

It is interesting to look at the Constitution of Vietnam according to which all forests “are under the ownership of the people, and the state on the behalf of the people manages the land and legally entrusts the management of the land to specific groups” (Hoang *et al.* 2010). Thus in principle this would mean that all people, as they are the owners of forests, would be entitled the benefits of ‘their’ lands. However, in practice organizational owners, both state and private, are compared to individual owners clearly advantaged in gaining access to forest benefits. The government admits that allocation theoretically has been decided but in reality inconsistencies in the official land-use classification system and in its management remains (Hoang *et al.* 2009).

For example, in the REDD+ scheme, the PES regulations require Forest Management Board (FMBs) and forest enterprises to allocate the management and protection of forest to communities and households (Hawkins *et al.* 2010). However “[FMBs] may be reluctant to contract for forest protection, which involves sharing some State funding with forest protection contractors. Many Management Boards therefore maintain large areas of forest under their own control, rather than contracting with

local people” (Hawkins *et al.* 2010). This reluctance of FMBs presents the risk that revenues from PES will in these areas be captured and retained by these bodies (Hawkins *et al.* 2010). In September 2007, MARD launched a USD 61 million programme to facilitate the process of forests and forest land allocation and set an ambitious target by 2010, all areas of forests and forestland will be allocated to local communities, individual households and other economic entities with provision of the Land Use Rights Certificates. However, until now only more than one million households have been issued with certificates for land ownership, either in natural or plantation forest. The political economy of the forests in Vietnam and thus of REDD is largely a question of land. Who controls the land, controls the forests and potentially controls the carbon and its associated REDD+ revenues.

The entitlement of ethnic minorities and local communities to REDD+ benefits presents a particular problem because they typically do not hold registered title and enforceable rights over the land they manage. Spatial planning often fails to account for customary land and tenure rights (White and Martin 2002), and when customary rights are recognized *de jure*, this does not always mean that their *de facto* rights are upheld. As they do not enjoy formal title, the implementation of REDD+ may disrupt informal arrangements and lead to competing claims on forests traditionally managed and used by local communities, causing conflicts. Disempowered communities may suffer from loss of access to forest resources, the unequal imposition of the costs of forest protection, and may be ineligible for REDD+ benefits (Peskett and Harkin 2007).

In Vietnam, the Forest Protection and Development Law identifies who forest rights holders are and the Land Law identifies stakeholders who can receive the land-use rights. Interpreting these laws, forest owners should be receivers of payments for carbon credits. An entitlement to REDD+ benefits of communities and forest contractors may be compromised by the uncertainty of their legal status:

- Communities are classified as one type of forest owner; however, the civil code does not recognise the legal status of the community, which may inhibit their access to a REDD+ benefits as they are not a recognised ‘entity’ in law.
- Forest Contractors, who are people contracted to protect and plant forests, are not recognised forest owners, which may compromise their entitlement to REDD+ benefits. The legal status of such forest contractors is also unclear. Contract duration can vary, from one to many years. Long term contractors will have the opportunities during the contract period to invest in carbon stock management, but their rights to benefits is unclear.

3 HISTORICAL REVIEW OF FOREST COVER CHANGES

3.1 Forest Cover Changes

3.1.1 Forest Cover Change after 1943

During 1943–1990, the forest area have been dramatically decreased over the years. In 1943 when the first forest data area was published, forests covered 14.3 million ha (43 % of the country land territory), mostly being primary forests (Lung 2000). After the Indochina War 1945–1954 and Vietnam War 1965–1975, this area went down to 11.2 million ha (27.2% of the country land territory) (Phuong 2011).

However, the sharpest decrease speed was recorded after the country unification, as forest area was at the lowest level of 9.17 million ha in 1990, accounted for 64% of the initial statistics. In this period of time, the forest was solely owned, managed and monitored by the state in the central planed economy. These state forest enterprises mainly focused on harvesting, paying very little attention to the long term sustainability of the forests, i.e., logging from natural forest during 1980–1990 was 2,400,000 cu m per year, while that of 2000–2010 was only 300 000 cu m per year. The main reason being logging provides both employment and revenue to the government (CRES 1999). Forests were heavily over-harvested, resulting in commercially and ecologically degraded. Besides, subsistence cultivators and illegal loggers frequently destroyed forests, so deforestation followed degradation. Vietnam's once originally rich biodiversity and vast natural forest areas covering virtually the whole of the country have been declining rapidly, with forest cover dropping at an average rate of about 190,000 hectare per year during the period 1975 to 1990 (MOF 1995), making Vietnam was one of ten countries with the Highest deforestation rate and highest net loss in forests and was among the world's top three emitters of greenhouse gases from land use change and deforestation.

Forest loss and degradation has caused serious economic, social and environmental consequences such as reducing forest product supply, more frequent and destructive flooding and draughts, decreasing agricultural productivity because of land degradation, acute shortage of water supply (Hoang *et al.* 2009). The general overexploitation of forests has direct negative consequences for the local population, especially in the central and northern highlands where are very susceptible to soil erosion, and severe flooding several times a year (Castella and Dang Dinh 2002), caused much destruction and many deaths.

3.1.2 Forest Cover Change after 1990

In response to the crisis caused by unsustainable logging, the State has paid more attention to forest protection and development, and developed policies and large national investment programs since the 1990s. From 1990 to the present, the forest area has been increased gradually due mainly to afforestation, with the exception for the case of the Central Highlands and the South-East region, where the forest area still has the tendency to be reduced. From 1995–2005, the forest area increased from 9.3 million to 12.61 million ha, which increased, on average, around 0.3 million ha/year. The area of new plantations has been increased from 50 000 ha/year to 200 000 ha/year. By 2009, the forest area increases to 13.564 million ha, representing 39% of the total land. On average, the country has gained forests at more than 2% per annum over the last 20 years, making it one of the few tropical countries on the right side of the forest transition curve (see Figure 1). Vietnam targets to have a forest cover of 47% by 2020 (The XI Congress of the Communist Party of Vietnam in January 2011). The main policies that help forest recovery are:

(i) Strengthening plantation forestry

Since 1990, reforestation was one of the highest priorities in the forestry policy. The planned objective is to increase the forest cover from 28% to 43 % by the year of 2010. Many countryscale afforestation programmes are being carried out, particularly the Programme 327 and the Five-million-ha Reforestation Project

(ii) Law on Forest protection and development (1991)

To ghether with ambitious forest plantation programs, forest protection law and regulations have been introduced. Forest protection and development law was issued in 1991. This law includes 4 main

parts: forest management, forest protection, forest development, and forest exploitation and utilization. This law and the regulations have outlined the management method to each type of forests and formulated the basic rules for forest management.

(iii) Banning of log and sawn timber export (1992)

This policy was promulgated in 1992 to prevent over-logging and illegal cutting, especially of endangered timber species. To compensate for the timber deficiency resulted from this policy, the Government allowed the processing industries to import timber.

(iv) Land law (1993)

Land Law (1993) reviewed and amended in 1998–2000. This law stipulated basic principles for land tenure and use rights, management regulations and an institutional framework for its enforcement. Government Decision N. 245 (1998) endorsed forest areas management responsibilities to provincial and district authorities.

(v) Limitation of logging (1997)

To protect the remaining natural forests and to restore degraded forests, the Vietnamese Government adopted the policy of 'temporarily closing natural forest' for 10–15 years for promoting natural regeneration and enrichment planting. As a consequence, hundreds of forestry enterprises had to stop their logging operation and to be involved in forest protection and reforestation programmes. Those enterprises that are still allowed to harvest timber have to strictly follow regulation of logging to improve sustainable forest management.

(vi) Promotion of community forestry

To mobilize people to participate in forest protection and reforestation, the Vietnamese Government adopted a series of policies of promoting community forestry such as the policy of forest land allocation with the land use rights up to 50 years (renewable), land use tax reduction and exemption, low interest rate loan and credit for investment in plantation establishment, and technical support. Forests are also contracted to people for protection and management. In general, the forestry sector of Vietnam has been moving from centralized management of forests, with the core objective of a maximum extraction of natural resources, to a social forestry model that emphasizes environmental protection and social development for those living in and around forest areas (Hoang *et al.* 2009). However, It is worth noting that the achievement of this transition program is limited. While nominal forest area increased over the last decades, there is a severe decrease of rich and natural forest, where most of Vietnam's natural areas and biodiversity is found.

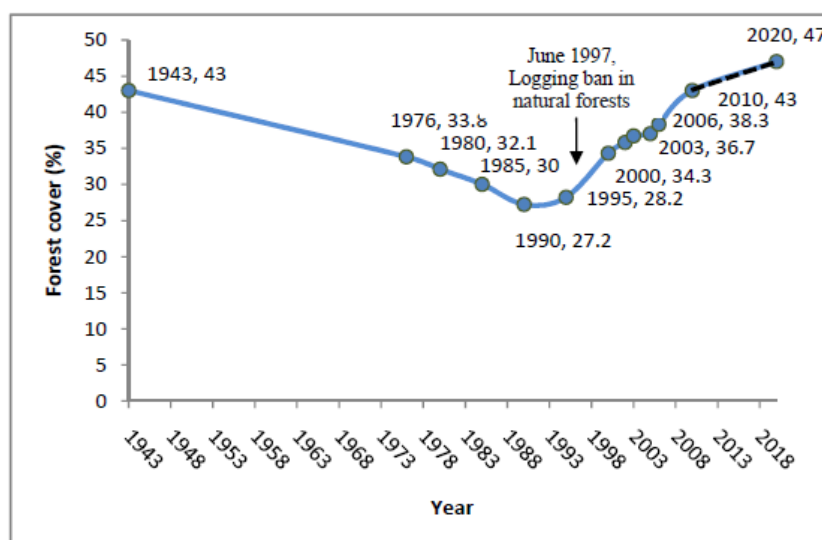


Figure 7. Forest transition curve of Vietnam.

Table 3. Changes of forest area in Vietnam, 1943–2009.

Year	Forest area (Mil.ha)			Forest cover (%)	Ha/ capita
	Natural Forest	Plantation Forest	Total		
1943	14,300	0	14,300	43,0	0,70
1976	11,077	92	11,169	33,8	0,22
1980	10,186	422	10,608	32,1	0,19
1985	9,038	584	9,892	30,0	0,16
1990	8,430	745	9,175	27,8	0,14
1995	8,252	1,050	9,302	28,2	0,12
2000	9,444	1,471	10,915	33,2	0,14
2005	10,283	2,334	12,617	36,4	0,15
2009	10,339	2,920	13,259	39,1	0,15

Source: Phuong et al. 2011.

3.2 Deforestation Among the Regions

Despite an overall nominal increase in forest area since 1990, the quality and biodiversity of the forests in many locations still have high rates of deforestation, especially throughout the remaining natural forests. Reports by the National Forest Inventory, Monitoring and Assessment Program (NFIMAP) show that Between 1999 and 2005 the area of natural forest classified as rich decreased by 10.2% and medium forest reduced by 13.4%; Large scale deforestation and forest degradation during the period from 1991–2001 has been reported in the Central Highlands, the eastern part of the southern region and the Central coastal provinces. Today, over two-thirds of Vietnam's natural forests are considered poor quality or recovering quality, while rich and closed-canopy forest constitutes only 4.6% of the total and mostly located in the remote mountainous areas. Lowland forests (mangrove and Melaleuca) supporting their full natural biodiversity have been almost entirely lost. According to a report in 2008 by the UK-based Environmental Investigation Agency, Vietnam lost 51% of its remaining primary forest between 2000 and 2005; this ranks the country second worst in the world. There is now less than 1% of the land area is under primary forests. Thus, while forest coverage in general increased over the last decades, there is a severe decrease of rich and natural forest (where most of Vietnam's natural areas and biodiversity is found), whereby rich natural forests remain only in protection forest categories in remote areas with almost no road access. Most of the remaining natural forests are now concentrated in the central and northern highlands and central and southeastern Vietnam. Yet these uplands have also become hotspots of environmental degradation, where deforestation rates are still among the highest in the world (Neef and Thomas 2009). Between 2000 and 2005:

- The Central Highlands lost a net forest area of 118 984 ha, equivalent to 4% of forest area in 2000. During the same period of time, the total timber volume in the region declined from 317.794 million cu m to 288.559 million cu m.
- The eastern part of the southern region experienced rapid deforestation, losing 86 872 ha or 8.6% of its natural forest cover.
- North West and North East Vietnam lost most of their lowland forests with the evergreen roadleaved forests in this region severely degraded. In 2005, the timber volume of the evergreen broadleaved forest was only 20.8 cu m /ha compared to 135 cu m/ha in the Central Coastal region.
- Similarly, coastal mangrove forests witnessed a large scale deforestation, with an average decline of 15 000 ha/year.

While the natural forest is continuously reduced in area and degraded in quality, the implementation of the plantation programs such as the 5 Million Hectares Reforestation Plantation has not reached the

objectives. For the period 1998–2005, the total of new plantation forest area only achieved 70% of the target, and afforestation of industrial plantations has only achieved 49% of the target.

Policy documents on forest increasingly point to the need for more environmental awareness, but there is still little evidence of efforts for sustainable development of the sector in reality. In some locations, the forest was being destroyed due to changes of land use purposes, illegal logging, slash-and-burn agriculture. From 2000 to 2005, the average recorded forest destruction comprised 9,345 cases/year and 2,160 ha/year. Over the past decades, one could say that in Vietnam “forest values have just been applied to productive functions while its ecological and social benefits have been neglected” (Hess and Thi Thu 2010). Unusual floods, drought, and landslides continued happening partly because of the forest loss or degradation, despite of the regenerated forest increased by 20.7%, and the plantation forest area increased by 50.8%.

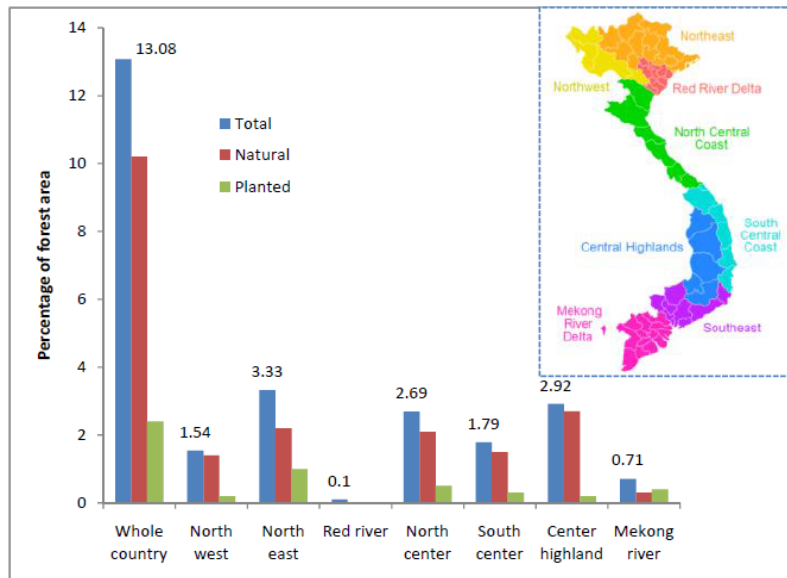


Figure 8. Forest area and distribution in 2009.

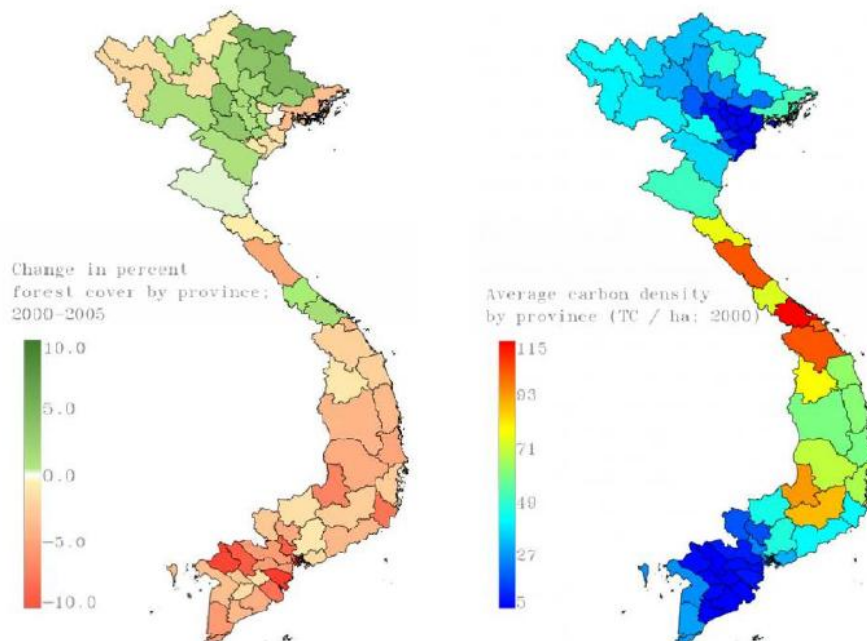


Figure 9. Deforestation and carbon density.

3.3 Drivers to Forests Cover Change

Driving forces behind the deforestation and forest degradation in Vietnam are diverse and complex, changing throughout the course of history. The key factors driving change to Vietnam's forests mainly are:

- (i) **Infrastructure development**
Infrastructure development projects such as extensive improvements in the road network, hydropower plants, mineral mining areas, irrigation, and new economic zones, are a significant contributor to increasing deforestation in Vietnam. Amongst those most affecting factors, the construction of transportation roads and hydro-electronic dams accelerate deforestation and degradation the most.
- (ii) **Transportation**
Vietnam's road system experienced significant growth since the late 1990s. After 2 decades of rapid economic development, the road system has doubled in length and cleared thousands hectares of forests. However, the greater accessibility of such areas has an even higher detrimental impact on forest, as a new road built has meant that forest once out of reach of loggers' trucks is now being intensively logged. New roads also gave migrants and local people access to vast areas of previously inaccessible parts of the forest to increasingly exploit the forest reserves for wood, food, and commercial development.
- (iii) **Hydropower**
The development of large-scale dams for hydropower and irrigation in Vietnam has been responsible for flooding significant areas of the forest and forced people out of their fields, lands and homes. According to data from Ministry of Agriculture and Rural Development, for 5 years (2005–2010), deforestation mainly for transportation and hydropower plant constructions, was 142 129 ha. Currently, the massive Son La dam is building on the upstream of the second largest Hoa Binh reservoir dam. This project would flood 3 000 ha of forest and destroy almost all the irrigated paddy land in Son La and Lai Chau provinces. At least 13 indigenous groups live in the 275 sq km that would be flooded by the reservoir (Cris Lang 2001). To provide land for farms and villages for the people evicted from the project, forest on the hillsides around the reservoir will have to be cleared, leading to further deforestation and soil erosion. Yet, a series of dams is proposed to double hydro capacity of Vietnam by 2025, exploiting most of the remaining technical potential of the country.
- (iv) **Unsustainable harvesting (both legal and illegal harvesting)**
Deforestation is fuelled by unsustainable logging, which is mainly a result of poor management practices and/or illegal activities. According to recent statistics in 2009, there are an estimated 30–50,000 forest violations per year with 48 605 cu m of timber of all types confiscated (very few of which result in criminal prosecution). However, it is almost certain that considerably more violations go undetected and unreported due to a lack of monitoring, poor case handling and incentives which discourage local authorities to provide accurate and complete reports. Those who benefit most from forest crime, businessmen and local officials, often go unpunished while only farmers are jailed for gathering a bit of firewood. Such a strategy is highly resource intensive requiring a large number of forest guards, meanwhile their low wages and remote working locations make them particularly vulnerable to bribes.
- (v) **Conversion of forest lands for agriculture**
 - *Conversion to perennial tree plantations:* Despite forest coverage in Vietnam increased over the last decades, the quality and biodiversity of natural forests have been continuously deteriorating rapidly due to the conversion of natural forest to perennial tree plantations. Vietnam suffers from the “empty forest” syndrome. According to official statistics, in the last 20 years, the area of perennial tree plantations has increased quite rapidly: from 657 000 ha in 1990 to approximately 1.986 million ha in 2009 (3.02 times of 1990's). Most of the recent expansion in the perennial industrial crops has concentrated in two of Vietnam agro-ecological zones: the Central Highlands and the Southeast where are

particularly suitable for the production of coffee, rubber and cashew. Among which, rubber plantation area has the most rapid increase: from 483 000 ha in 2005 to 632 000 ha in 2008, with average new plantation area of 50 000 ha per year. It is predicted that by 2015, rubber trees area alone will be increased by nearly 120 000 ha. This means that large natural forest area will be converted to rubber plantations. Also, there was large scale in-migration to the remaining natural forest where there are still areas of fertile land available. It is estimated that over six million people have migrated to the Central Highlands during the period from 1980–2000 (Phat 2008). The growing population from both in-migration and population put further pressure on the remaining natural forest.

- *Conversion to aquaculture:* Mangroves provide a number of ecosystem services including habitats for many species of fish and shellfish, storm protection, influences on water quality, wood, aesthetics, biodiversity, and function as significant carbon sinks. However, Vietnam has lost more than 80% of its mangrove forest over the last 50 years due largely to the rapid development areas for aquaculture (Katoomba 2009). Aquaculture area has increased dramatically in the last decades. In 2000, there was 642 000 ha, but 9 years later it expanded to 1.044 million ha (increased by 62%). Shrimp farms expansion has been one of the big drivers behind mangrove loss.

(vi) Forest Fires

From 1992 to 2002, there were 6 000 ha of forest lost due to forest fire per year on average FPD (2002). Between 2004 and 2008, this rate was reduced to 3 096 ha/year and damaged about 15 479 ha. However, due to dry weather, fire burned down over 3 000 ha forest in Vietnam in 2010 (Forest Protection Department 2009).

According to Forest Protection Department (2009), there is about 6 million ha of Vietnam's forests are vulnerable to fire, in particular the whole area of the Northwest, the Central Highlands, and the Southeast and the Mekong Delta. The cause of fire has been estimated as follows: i) slash and burn to clear crop fields after harvest: 60.8%; ii) use of fire in hunting, collecting honey, collecting wasted materials: 18%; iii) carelessness: 5%; iv) intentional setting of fires: 5%; v) others: 11.2%.

3.4 Payment for Environmental Services (in particular REDD+, granting funds from international community)

3.4.1 Carbon Rights

The Constitution of the Socialist Republic of Vietnam, which was last revised in 1992, says that all land and forest resources belong to the State and that the State allocates these resources to organizations and individuals for “stable long-term use” (Article 18). The 2003 Land Law provides additional detail regarding land allocation: “The State shall grant land use rights to land users via the allocation of land, lease of land, and recognition of land use rights for persons currently using the land stably” (Article 5). So whereas the State retains ownership of land, individuals and organizations may be granted the right to use and benefit from it (incompleted land-use rights). Although not specified, this right would presumably extend to carbon.

The 2004 Forest Protection and Development Law recognizes the principle of buyers purchasing forest goods and services (which could include reduced carbon emissions) with payments delivered to those who protect and regenerate the forests to reduce deforestation and degradation. Decision 178/2001/QĐ-TTg (12 November 2001) specifies the ways in which households and individuals can be allocated, leased, or contracted to manage or protect forest and the payments that they can receive for these services. The legal basis for a performancebased therefore exists.

However, the 2005 Law on Environmental Protection states that the “transfer, buying, and selling of greenhouse gas emissions quotas between Vietnam and foreign countries shall be stipulated by the Prime Minister ” (Article 84). In other words, while individuals and organizations may have the right to benefit from carbon emission reduction credits, transactions with international buyers (as is envisaged under a REDD+ regime) would need to be approved by the Prime Minister. Beneficiaries cannot have direct contractual relations with foreign entities, implying that sub-national implementation would be legally problematic for Vietnam.

As carbon rights are by default deemed to be attached to land, the question of land rights arises as a prerequisite to the definition of carbon rights. Unclear land rights, and uncertainty surrounding land title, are held as “the single most significant impediment to effective preconditions for a REDD Scheme” (Covington *et al.* 2009), caused by the significant competing interests and conflicts over land and tenure rights that constitute investment risk in Vietnam (White and Martin 2002).

3.4.2 Carbon Benefit Sharing

The scope for securing revenue from carbon conservation depends on the forest type. Special Use Forest (SUF), which comprises all of Vietnam’s protected areas, is under exclusive government control. There are no legal provisions for community or household participation in SUF management. Consequently, to the extent that SUFs meet the additionality criterion under REDD+, it would only be PAMBs which are eligible to receive REDD+ revenues generated by SUFs.

On the other hand, protection and production forest can be allocated to households, communities, or SOC. Households and communities holding entitlements (“Red Books of land use certificates”) to such forests would therefore be eligible to receive REDD+ revenues.

However, SFEs are government owned and, by law, all forest management operations are paid for by government, so if they were eligible to receive REDD+ income, their subsidy would be reduced by the same amount.

The government has issued several legal documents regulating benefit sharing from forests. These include Decision 178; Inter-ministerial Circular 80/2003/TTLT/BNN-BTC (3 September 2003) by MARD and MoF on the implementation of Decision 178; Decision 661/1998/QĐ-TTg (29 July 1998) on the 5 Million Hectare Reforestation Programme; Decision 100/2007/QĐ-TTg (6 July 2007) amending some articles of Decision 661; and Decision 147/2007/QĐ-TTg (10 September 2007) on the development of production forest. These decisions mainly deal with state budget-funded projects and with forest products including timber, firewood, NTFPs, agricultural products, and tourism services. Carbon is not referred to.

Decisions governing benefit sharing have also been issued for specific projects funded by the World Food Programme, WB, JBIC, and the ADB-funded FLITCH project. Decision 166/2007/QĐ-TTg (30 October 2007) on FLITCH benefit sharing states, for example, that households should receive USD7/ha/year for forest protection, US\$15/ha/year for forest regeneration, and USD500/ha/year for plantations. Again none of these decisions address carbon.

The most recent statement on benefit sharing is provided by Decision 380 (10 April 2008) and its successor Decree 99 introduced in 2010 by the Prime Minister, under which local people can receive Payments for Forest Environmental Services (PFES). In this Decree, payments for forest environmental services include water supply; landscape beauty and soil conservation but not carbon.

USAID is supporting the testing of Payment for Ecosystem Services (PES) in Lam Dong province (in the Central Highlands) through Winrock International, while GTZ is supporting the testing of PES in Son La province (in the Northwest). Under the scheme, hydro-electricity plants will pay VND 20 (USD 0.125) per kilowatt; water companies VND 40 (USD 0.25) per litre of water; and ecotourism companies between 0.5 and 2% of revenue. In addition, since October 2007 MARD has launched a program to promote sustainable agricultural cultivation on sloping land and to prevent the conversion of forests into agriculturally cultivated crops by providing 10kg of rice per person per month and preferential interest rate for planting forests and agricultural production. The intention is that lessons from these pilot interventions will be used in developing a national policy over the next few years. Under PFES, the government is also establishing a Forest Protection and Development Fund (FPDF) which will channel public and private funding to local people for forestry activities. In order to calibrate the payments to local context, the government has envisaged ‘K coefficients’ that will determine the specific payment depending on the state of forests and other natural parameters. There are essential early steps towards creating favorable conditions for PES development. Officially integrating notions of PES structures in the political context started in 2004; most notably as an integral part of the National Forest Development Strategy for 2006–2020, which can be seen as the legal basis for PES in Vietnam (Thi Thu and Pancel 2009). This change in institutional arrangements, precedent to Decree 99 - the final policy on PES – was crucial, in order to encourage PES-like experiments and address the

willingness to pay for environmental services at an early stage. The chronological list below shows the most relevant policies that have been issued and implemented over the past and paved the way towards the official PES policies (based on IFAD 2008, Nguyen The *et al.* 2007, Vu Thu *et al.* 2009):

- Decree No. 02/1994/CP – on forestry land allocation for organizations, households, and individuals for stable use.
- Decree 661/Q-TTg (7/1998) – on objectives, duties, policies and implementing organizations of the Five Million Hectare Reforestation Program (5MHRP).
- Decree No. 163/11/1999 – on forest land allocation, lease and lending to organizations, households and individuals for sustainable and long term use.
- Decision 178/8/2001 - on the beneficiary rights and obligations of households and individuals who have forests and forest land allocated, leased and lent.
- Decision 106/2006/QĐ-BNN – on Promulgating the Instruction on Management of Village Community Forests.
- Decision 380/QĐ-TTg (4/2008) – on the implementation of two pilot PES programs to be carried out by GIZ and Winrock International in two different provinces.
- Decree No. 99/9/2010 – on the nationwide regulation of PES, incorporating findings from pilot provinces

Looking back the history, probably the most relevant program for today's PES context is the Program 661. With the goal of attaining sustainable development in the central and northern upland regions, this significant policy program is also referred to as the Five Million Hectare Reforestation Program (5MHRP). This decision, in addition to paving the way for the establishment of five million hectares of new forest, also puts in place mechanisms to protect existing forests. People's Committees of provinces are to identify the location and extent of forests, and to supervise the allocation or lease of land and the issuance of Land Use Rights Certificates to organizations, households, individuals and other legal economic entities Nonreimbursable

State funds are then used for payments to households for protection of the forest, the current average payment being VND100 000/hectare per year. From 1998 onwards, the 5MHRP followed the objective of planting five million hectare of forest as well as to protect existing forests (Bui Dung *et al.* 2004). According to Neef and Thomas (2009), this land allocation program, which “included both agricultural and forest land certificates for individual farm households, provides a basis for the establishment of PES schemes”. Part of the program paid households for protection forest areas they were assigned to, thereby also explicitly aiming at reducing national poverty levels. However, it has often been criticized as a top down approach, without monitoring or clear conditionality, and although stipulated otherwise, residents only received VND 30,000 – 40,000 per ha per year; an amount too low to encourage true protection because HH also had to bear the transaction costs to get a contract (Bui Dung *et al.* 2004). It comes clear thus that Vietnam has already been using some of the economic and financial instruments needed for PES implementation. The GoVN's relatively high spending on this program did to some extent halt further decrease in resources. But, economic incentives –i.e. user led schemes – that support land owners to manage forest in a sustainable way are still missing and the high costs for social forest conservation have been a heavy burden for the government (Hoang *et al.* 2008; Hess and Thi Thu 2010). Consequently in April 2008 the GoVN issued the first policy (in the list above: Decision No. 380) exclusively focusing on payments for forest environmental services. It regulates the implementation of two regional pilot initiatives in Son La province in the Northwest and Lam Dong province in the Southeast of Vietnam; in charge of these pilot programs were the international organizations GIZ and Winrock International, respectively. Experiences and lessons learned in these two provinces formed the framework for the development of the final PES policy, known as Decree 99. Decree 99 – Policy on Payments for Forest Environmental Services. The Ministry of Agriculture and Rural Development (MARD) issued Decree 99 in September 2010, regulating the nationwide implementation of PES schemes from 2011 onwards.

Services explicitly recognized by the policy are ‘water provision’, ‘aesthetic landscape’, ‘forest products’, ‘genetic resources’, ‘biodiversity’ and ‘prevention of erosion and flooding’ (GoVN 2010a). For the initial phase the implementation is foreseen for 15 provinces (Winrock International 2011). The policy explicitly also legalizes payments for ES. And in doing so, Vietnam is amongst the first countries in the world, following Costa Rica and Mexico (Hess and Thi Thu 2010). It is important to note that the policy is limited to forest environmental services, and therefore by Vietnamese actors

sometimes referred to as PFES.

Decree 99 lays the legal foundations for provinces to ask hydropower plants, water companies and tourism businesses to pay a certain percentage of their income to relevant ES providers, i.e. land owners and forest protectors. The cost norms were set out at 20 VND/kwh for commercial electricity companies; 40 VND/cu m for commercial water companies and between 0.5 – 2% of tourism revenue from “beneficiaries of forests or the ones that impact on forests” (GoVN 2010a: 23). The exact rate is to be decided by each provincial government, i.e. the Provincial People’s Committee (PPC).

The PES policy has the following aims:

- Environmental: to protect and develop forests to secure their provision of services.
- Social: to improve livelihoods for forestry workers and alleviate poverty in rural areas. This secures socio-cultural development and security especially in remote mountainous areas.
- Economic: assist Vietnam in natural resource management and the stabilization of the energy and water supply sector. Through establishing a fund of payments from ES users governmental spending on Program 661 is reduced / replaced.

Decree 99 obviously addresses the three commonly mentioned pillars of sustainability, thereby trying to combine the goals of nature conservation with rural development goals. The Vietnamese PES policy can thus be seen as a result of an ongoing institutionalization of the sustainability discourse in environmental politics. Adding the political pillar of sustainability into PES to encourage implementing the policy with principles of ‘good governance’, of course, in Vietnam might be an even more sensitive issue than elsewhere, but also here over the past years there have been some developments pointing to a shift from, say, ‘less government to more governance’. Exemplified are such small tendencies e.g. in the fact that international organizations and local universities had a significant contribution to the development, design and formulation of the PES policies. Compared to past practices this is a remarkable change that has been brought to the policy arena with the PES concept and overall the commitment with which the government pursues PES can be seen as courageous effort in the light of its political history and in the light of the innovative character of PES itself.

The last target of this policy – the economical – sheds light on a major driving force behind the courageous efforts; namely the fact that PES payments are used as a financial relief of formerly high spending on forest protection and management. This rationale is obviously reflected through the considerable reduction of state investment in Program 661 which is reduced by nearly 50% from 2011 onwards (Hess and Thi Thu 2010). In the PES implementation, the GoVN considers challenges exist in identifying a clear mechanism for allocating funds to land stewards and local communities. Besides, the government considers implementation of PES policies as a “difficult and complex undertaking since it is difficult to identify buyers and sellers of ES, and because it relates to several other policies also from different sectors and departments, e.g. on land and forest allocation and Department of Finance” (Hoang et al. 2009). Cooperation between departments, e.g. the Department of Agriculture and Rural Development (DARD), is also a challenge. Associated departments seemed not used to such horizontal cooperation at provincial level. This is a classical situation where political modernization (in this case the introduction of PES) brings new actors, i.e. the DoSCT, into the environmental policy arena, these ‘new’ and ‘old’ actors thus have to find out how, about what and with whom to communicate and cooperate, which will in turn induce change in formal but also informal rules. Accompanying and assisting such processes of change and stabilization should be a focal point for PES-facilitators.

As an interim conclusion, it can be said that in Vietnam building on already existing institutions was relevant for the development of PES so far. It has come clear that design, implementation and monitoring of PES requires formal changes in policies as well as informal changes in interaction patterns amongst different departments or amongst providers and beneficiaries. The question on whether a shift from government to governance is happening is difficult to answer in Vietnam. The overall political context of the country does not allow saying in good conscience that ‘there has been a shift from government to governance’. But, the introduction of PES might be a stepping stone for such broader structural changes in the future as the importance of creating local organizations and networks is underlined.

4 REFLECTIONS AND POLICY RECOMMENDATIONS

4.1 Solutions on Policy and Laws

- Develop a legal corridor/framework for establishing the national permanent forest estate, which will be demarcated in the field.
- Revise and complete the allocation and lease policy for forest and forest land to create momentum for encouraging various economic sectors to be involved in forest protection, development, and forest product business as well as ensuring that the forest owners receive satisfactory benefits.
- The priority will be given to land allocation, and allocation, and contracting protection forests to communities, cooperatives, and households for long-term protection, management and utilization according to approved planning and plans. • Step-by-step, favorable conditions will be created for land tenure rights, use and ownership of forest following the laws of production and trading activities, and the laws of commodities production, such that forests will become commodities, and thus a real fund source for forestry development. Accumulation of land for formation of concentrated material plantation forests through lease, or providing forest use and forest land tenure rights as shares for the households and individuals is encouraged.
- Further decentralize the state management of forests to district and commune administration levels. Regulate clearly the responsibilities and rights of forest owners, the government at different levels, law enforcement agencies and forest protection forces by the forest owners as well as villages and communes, regarding the loss and destruction of forests in their areas.
- Strengthen the legal dissemination and education to improve the awareness and responsibilities of different levels, sectors, each forest owner, each person and the whole society in forest protection and development, in parallel with the enhancement of state management, institutions and legislation.

4.2 Finance and Credit Policies

- Specific investment policy related to civil works for the forestry sector should be developed, and the investment practices by the State in the sector should be renovated according to the forest protection and development plan, instead of allocation of budget on the basis of the current cost norms.
- Establish a transparent and stable investment environment to attract investors, especially foreign investment; ensure clear industrial ownership rights, land tenure rights, long-term forest use and ownership rights, provide accurate information on investment opportunities and forest resources, simplify procedures on enterprise establishment. Policies should be available to redirect state investments from direct investment to indirect investment (infrastructure, tree breeding/seed, science and technology etc.) creating favorable conditions for private enterprise investments in production and forest product processing.
- Develop and step-by-step implement mechanisms for fee collection for environmental services that forestry is making and supplying for the society, such as watershed protection for hydro-power plants, irrigation, city environment and coastal protection, ecotourism and outdoor recreation. Organizations and individuals that are getting benefits have the responsibility to pay the fees, in order to create new financial sources for re-investing in the forestry sector for a balanced and sustainable development. Mechanisms should be developed in this new period so that the forestry sector could “use the forest to develop the forest” and there is no need for state subsidization.
- The State provides supporting mechanisms related to preferential loans for households involved in forest protection and development, especially poor households, ethnic minorities in remote and isolated areas for development of production with agroforestry practices, NTFPs, cattle raising, and planting agriculture crops before receiving income from forests.

4.3 Renovation of Organizing Forest Production and Business

- For the renovation of SFES, where forest land is available in a concentrated area, SFES will be restructured as effective operational units to become medium- and largescale State Forest Companies with diversified production and business connected to processing industries and trade of forest products. Those companies will be the core element for sector development and

then will be equitised, becoming independent in finance, as integrated production and business entities in accordance with the laws. The State will allocate budget for completion of forest and forest land allocation or lease, support training to improve the capacity of their staff and workers as well as provide budget for forest inventory and development of forest management plan concerning the first rotation.

- Develop priority mechanisms for poor households, ethnic minorities and women to participate in concentrated industrial plantations, small-scale enterprises processing forest products, and forest farms, to create additional employment and to increase income.
- Encourage private sector and non-government organizations to participate in research, training and extension activities, through the modality of competitive bidding.

4.4 Solution on Sector Organization and Management

- Encourage and support the establishment of groups and associations, such as associations of people involved in forestry production, business, processing and exporting and importing forest products.
- Establish long-term coordination mechanisms among research, training, education and extension organizations and forest owners, enterprises and communities, in order to integrate research, training and extension into forestry production and business.

4.5 Solution on Training Human Resources

- Develop and implement a training strategy and improve capacities for forestry staff at all levels, particularly at the commune level and in remote, isolated areas, to meet the requirements for sectoral renovation and international integration.
- Focus on training and forestry extension activities for the poor, particularly ethnic minorities and women, so that they are able to generate stable incomes from diversification of crops and livestock. Pay special attention to training for ethnic minority youth and forestry staff in remote, isolated areas.
- Enhance management capacities for management staff, enterprises, communities and households working in forestry through on-site short courses and forestry extension; strengthen their capacity on self-developing, implementing and monitoring forest protection and development plans step-by-step.
- Improve capacities and technical facilities of forestry training units. Enhance training staff and skilled workers in forest products production and processing enterprises, forest farms and handicraft villages.

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Appendix

Case Study

Institution and Context Analysis for REDD+ in Lam Dong Province of Vietnam

1. Introduction

The main objective of this paper is to identify the existing forest governance structure and issues as well as potential actors and decision-making processes that might significantly affect future implementation of REDD+ in Lam Dong province of Vietnam. Particularly, the paper examines the formal and informal rules, regulations, incentives and constraints that will have an impact on achievement of REDD+ in Lam Dong, Vietnam. The paper in context of REDD+ focuses on political and institutional factors, as well as processes concerning the use of national and provincial resources in a given setting and how these have an impact on implementation of coming REDD in near future. In the situation of Lam Dong, the analysis tries to find out who is powerful in forest management and who is excluded from this process at all provincial, district, commune, and grassroots levels. The analysis also set out to real forest drivers and institutional and political factors that promote or block forest conservation. The findings of this research may provide insight into how different actors in society have different incentives to enable or block development interventions to REDD+.

2. Methodology of the research

The research used political, institutional and social assessment in forest land planning and allocation; forest protection and development and deforestation and forest degradation to examining the formal and informal rules, regulations, incentives and constraints to REDD+ that supports to identifying and developing relevant and measurable governance indicators for the PGA of REDD+ in Lam Dong. The examination follows a process as guided by common governance conceptual framework reflecting through three pillars (policy, legal, institutional and regulatory frameworks; planning and decision-making processes; and implementation enforcement and compliance) and selective governance principles (among accountability and transparency, fairness/equity and inclusiveness, rule of law, participation and consensus oriented) as fundamental for reviewing and analysis. Base on this framework, the research has made an institutional set-up analysis to identify their functions and institutional relations as well as power of decision-making and influence of different stakeholders in forestry sector at different levels (state and non-state, formal and informal ones at province, district and commune). This helps the research determine and map out main governance issues and key actors whose interests, incentives or constraints that would importantly affect the future implementation of REDD+ in Lam Dong, as well as identify entry-points and/or bottle-necks for initiating PGA development in the province.

Information collection and analysis for this analysis was mainly based on there methods (i) Literature review of provincial policy in forestry sector and reports by other studies that done in Lam Dong; (ii) Multi-stakeholder consultation workshops combined focus-group discussion (meetings) at province, district and commune; and (iii) selected key provincial informant interviews.

The research focused on reviewing local policies related to forestland planning and allocation, forest protection and management in Lam Dong as well as their compliance to national policies related to forests and REDD+. A number of legal documents and technical reports related to Lam Dong forest protection and development master plan 2011–2020, rubber plantation strategy, and their implementation of UN-REDD programme and PFES policy have been reviewed. Secondary official database and information addressing to quality of forest protection and management in Lam Dong that issued by MARD were also utilised for this report.

Two district consultations were held in Di Linh (a piloting site of UN-REDD programme) and Lac Duong (without REDD+) on 20th and 21st December 2012 respectively. This consisted of district officials mainly from DPC and divisions of forest protection, agriculture and rural development, natural resources and environment, police, military, culture and information, justice, industry and infrastructure, TV and radio) and representatives from mass organisations (women union, farmer association, youth union) and in-place state-owned forest management organisations (such as Di Linh forestry company; Hoa Bac, Hoa Nam, Tan Thuong and Da Nhim PFMBs). At each workshop, participants were randomly divided into two groups to brainstorm and map out those stakeholders

and their function, power of decision-making and institutional relations among district agencies (horizontal lines) and between them and respective provincial and communal agencies (vertical lines) for two main topics (i) awareness raising, forest protection and inter-agency cooperation for law enforcement against illegal logging and forest encroachment, and (ii) forestland allocation, forest lease and involvement of private sector, and PFES performance. These group discussion meetings have clearly described how each actor has been involving into the processes of forest law enforcement and compliance at district level, and constraints they are facing to handle over their functions. 25 officials in Di Linh and 20 officials in Lac Duong attended these discussions.

Following these, four group-discussions were separately organised in Da Sah and Da Chais communes (in Lac Duong district), and Bao Thuan and Gung Re (in Di Linh district). Participants to these meetings were mainly leaders and staff of communal people's committee, including women union, youth union and farmer association, and village chiefs. At the meeting, they were firstly introduced about REDD+ and its perspectives and motivated to speak out about the situation of forestland allocation and their (practical) rights toward forests in their communes as well as resource conflicts between local villagers, authority and private sector and state-owned forest management organisations. These discussions have provided good insights on drivers of deforestation and forest degradation and roles of local villagers and authority in the processes of decision-making and law enforcement in forestry sector and livelihoods in Lam Dong, including PFES compliance. Based on such findings, all stakeholders related to forests at grassroot were identified and mapped out.

Table 1. Commune participants of consultation workshop in Lam Dong.

Commune	Participants	No. of Attendants
Da Sar	Commune staff , village chiefs local peoples	14
Da Chais	Commune staff, village chiefs	16
Bao Thuan	Commune staff, village chiefs, local peoples	28
Grung Re	Commune staff, village chiefs	11

Semi-structure interview of (provincial) key informants

Not all expected interviews were made, particularly with those from social mass organisations of the province such as Farmer Association, Union of Science and Technology Association or Ethnic Minority Committee, but the research team have successfully accessed to have intensive interviews with 12 key informants, mostly leaders and/or senior officials from DARD, DoF, FPDF, DONRE, Bidoup Nui Ba National Park, Don Duong State-owned Forestry Company, FLITCH project management board, Da Lat University, Women Union, Dran Protection Forest Management Board, Dai Ninh Hydropower Company and Da Teh Rubber Plantation Private Company. Each interview took about two hours and aimed at motivating key informants to present their reflections and analysis on institutional relations and decision-making related to forestland allocation and forest management as well as their interest and involvement into REDD+ activities being piloted in Lam Dong. By addressing sensitive issues, as they said, particularly related to illegal logging, forest lease and allocation, forest conversion for agro-business, ect these informants provided a wide range of thoughtful analysis on political, legal and economic factors they believe influencing provincial leaders' decision-making, facilitating private sector to increasingly engage with forestland possession, and resulting to various conflicts with local communities and ruining their livelihoods. These interviews also helped obtain their critics on policy interventions being done in Lam Dong such as PFES, FPIC for REDD+ or conversion of poor natural forests to other purposes. A questionnaire used for this semi-structure interview was annexed to this report.

3. Analysis of institutional structure for PGA/REDD+ in Lam Dong

3.1. An overview on forestry sector and forest management in Lam Dong

The master plan for forest protection and development in the period 2011–2020 of Lam Dong has been approved by the Provincial People's Council in December 2012, by which maintaining the forest coverage by 61% is regarded as a political commitment, ensuring significant contribution of forest resources to social-economic development, environmental/ecological stability and proportion of planned three types of forests in the province. This highlights that Lam Dong will continue its efforts on

socialization of its forestry sector by improving forest and forestland allocation and contracting to local communities, ensuring them benefited from forests, and strengthening exploitation of financial resources from forest services and PFES policy implementation. Part of measures to realise this master plan includes improvement and enhancement of forest management system from province to district and commune, and attraction of investment of different economic sectors to forestry development, production and business.

This new policy of Lam Dong has likely created a new opportunity for local villagers and communities in the province, particularly for 300.000 indigenous, minority ethnic people (estimatedly to 25% provincial population) who are mainly as traditional forest dependants but not been yet prioritised in forestland use entitlement for over last decade. A statistical record provided by DARD shows that by 2010, less than 2000 households, of which not up to 400 ethnic minority ones, and 10 village communities were granted with forestland use certificates with over 12.000 ha Cat Tien, Da Teh, Bao Lam and Dam Rong districts, compared to 18.000 households were annually contracted for protecting 340.000 ha since 2000. By percentage, a majority of forestland of Lam Dong, estimatedly over 85%, is being managed state-owned forest organisations, only 1.6% granted to households that is far less than an amount of nearly 12% that has been already allocated to hundreds private companies and managed local authorities (see figure below).

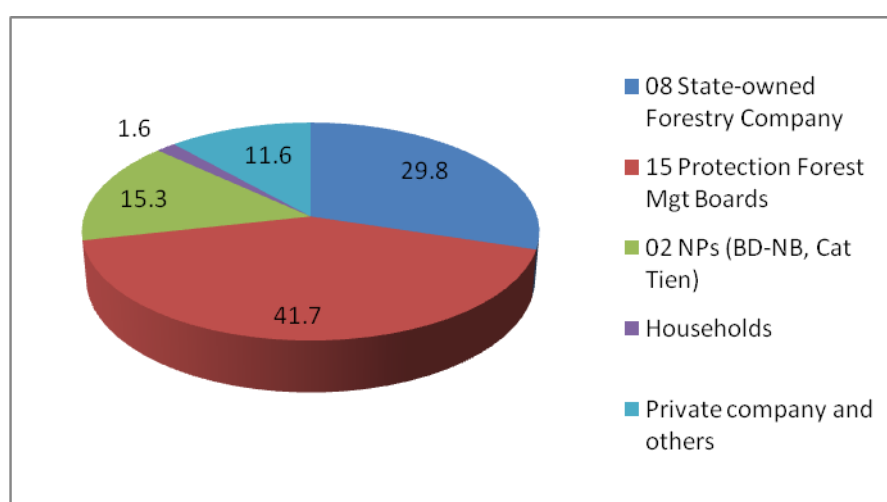


Figure 1. Status of Forest allocation in Lam Dong.

Such inequality and disparity in access to forest resources and weak law enforcement has been blamed for various conflicts being existed at grassroot, resulting to illegal logging, forest encroachment, deforestation and forest degradation that are said commonly happened in the province. According to statistics reported by MARD's Forest Protection Department (on FPD website), an average of over 2000 violated cases to forest resources were recorded and treated in Lam Dong over last 5 years (2008–2012), mainly found in illegal logging, forest clearance for cultivation, exploitation, transport and trade of forestry products. This has made a cause of significant loss, though being decreased in trend, in natural forests annually ranging from 2000–10.000 ha in 2002–2009.

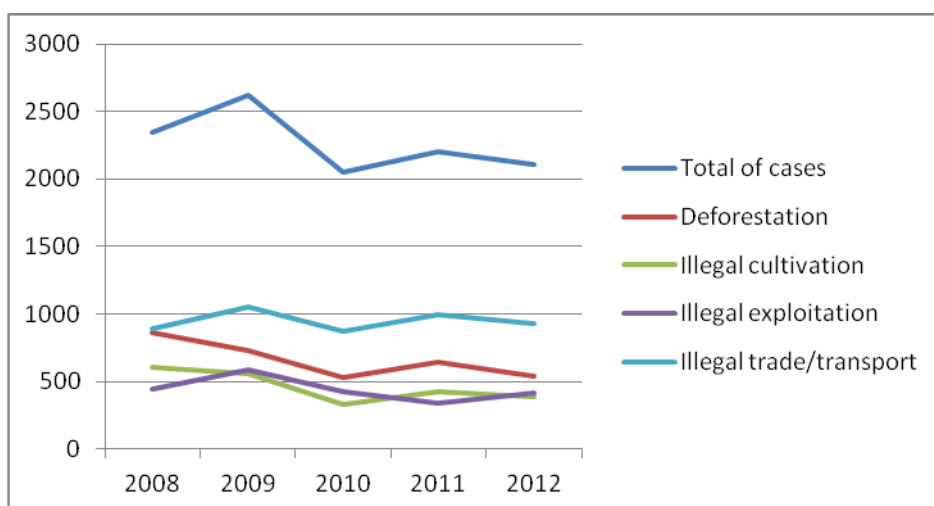


Figure 2. Number of violations to forests in Lam Dong, 2008-2012. (FPD, 2013)

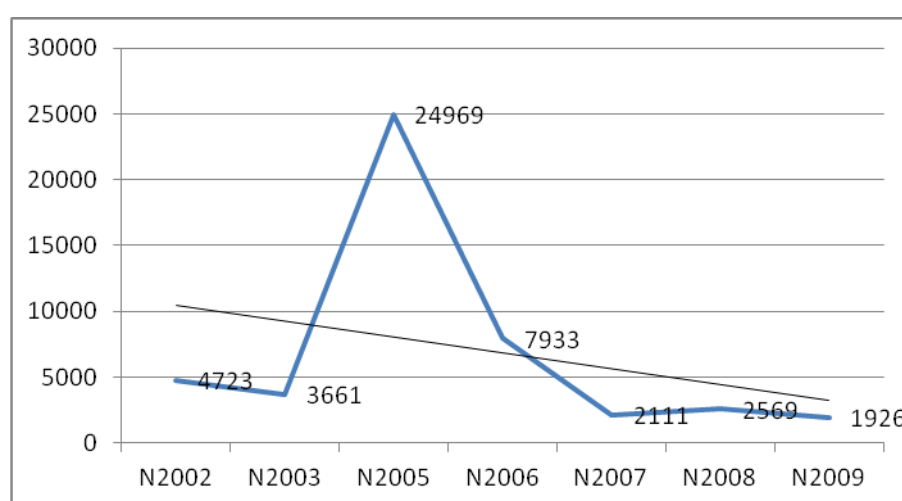


Figure 3. Loss in natural forests in Lam Dong 2002-2009 reported by FPD (2013).

As one of five richest provinces in forest resources in Vietnam, Lam Dong has been greatly challenging in prevention of illegal logging, forest conservation and sustainable utilisation. Pressures on trade-offs between economic growth, investment encouragement and environmental protection have been reflected into such provincial policies and decisions in favour of private sector to promote legalisedly converting many thousands hectares of natural forests into coffee, rubber, export flower and vegetable plantation and/or medium and small hydropower development and other infrastructure construction. For instance, Lam Dong will have to shift more natural forests into rubber plantation to ensure 150,000 ha by 2020 to be completed. Figure above also indicates a peak of almost 25,000 ha of forests were cleared off and replaced mainly by hydropower projects in 2005 as a typical example. In order to make win-win policies, the province will have to confront in dealing with a wide range of barriers that are regarded as fundamental causes to deforestation and forest degradation such as poverty, high opportunity costs driven by market in forest conversion, weak law enforcement, inter-sectoral competition in planning (between forests and mining, agro-business, infrastructure, energy, etc).

Since 2010, however, Lam Dong has been well known as a leading province in Vietnam in piloting and implementing PFES policy, that generating substantive finance for forest protection. By the end of 2012, 12/14 hydropower plants (as Da Nhim, Dai Ninh, Ham Thuan) and 4 clean water-supply companies (as Dong Nai Sawaco) were contracted and transferred to Lam Dong FPDF 154 billions¹ VND to Lam Dong FPDF (2011: 56 billions VND), and that amount was benefited to over 16,000 households contracted protecting more than 330,000 ha of watershed forests in the province. This

¹ <http://baolamdong.vn/kinhte/201210/Hon-16-ngan-ho-dan-duoc-huong-loi-tu-chuong-trinh-chi-tra-dich-vu-moi-truong-rung-2197756/>

revenue has helped Lam Dong to increase such payment to 300.000-400.000VND² per ha per year, added a significant amount of 10,5 to 12 millions VND on average to annual income of participating households, that is 3 to 4 times higher than their income before PFES taken place. According to DARD, PFES has initially proved a good instrument to enhance effectiveness of forest protection in Lam Dong, and they wanted to see more forest ecological services such as biodiversity and carbon resources in the province would be credited in the future.

3.2. Analysis on institutional structure for forest management in Lam Dong

3.2.1. A glance on institutional set-up

Figure below presents the institutional structure for forestry management in Lam Dong, which is set up in accordance to the Forest Protection and Development Law 2004 and other regulations such as Decrees 119/2006/ND-CP and 117/2010/ND-CP issued by the Government in 2006 and 2010 respectively. This clearly highlights local power (or authority) over forest resources in Lam Dong that concentrates to formal institutional systems of state agencies or alike, which are vertically divided for/by three layers in an hierarchy of authority as a matter of decentralisation: province, district and commune, excluding central/national power dedicated to the Government (also Prime Minister) and MARD in particular as policy-making institutions. At each layer, horizontally, this kind of power, again, is handed over to two or three groups of institutions which are relatively specified by their professional functions and responsibilities regulated by national laws and local governments's decisions. They include (i) those who have the most authority of making decisions for united state management within their territory normally belonging to people's committees (as executing agencies); (ii) those who act as planning and implementing agencies in charge of focal points, normally forestry institutions as DARD, sub-DARDs and/or alike, responsible for advising their in-line people's committees and overseeing policy and law compliance and enforcement; and (iii) cooperative/joint institutions, either formal or informal ones, in different forms to deal with regular or preliminary and accidental demands in forest management and protection.

Following the institutional structure as figured out below, in the provincial level, Lam Dong PPC is the most powerful decision-maker in forestry sector, is directly administrated its advisory bodies including DARD, DONRE, district PCs, other departments, Bidoup Nui Ba NP and 13 forestry companies, of which DARD plays as a focal point for state management for all forestry planning and activities in the province. Assisting DARD to perform that task is provincial FPD, DoF and FPDF; and all state-owned forest management organisations and forests-based private companies have to operate under professional guidance and management given by DARD. To implement Lam Dong Forest Protection and Development Plan 2011-2020, the PPC has established a multi-stakeholder institution known as the Provincial Steering Committee, headed by a PPC's Vice Chairman and accompanied by 17 leader officials represented for DARD, FPD, DoF, Lam Dong Broadcasting and TV agency, Police Department, Military, DOF, DPI, People's Procuracy, Department of Health, Minority Ethnic Committee, Department of Culture, Sport and Tourism, DOIT, DONRE, Fatherland Front, and Inspection Agency. No representative from any mass-organisation and/or civil society is found in this platform. Beside, Lam Dong DARD itself has also developed an inter-agency cooperation schemes with Provincial Police and Military particularly for forest patrolling to against illegal logging, forest fire and encroachment. No informal institution is found at this layer. This committee is responsible for reporting to the PPC, MARD and the Central Steering Committee in respective.

At the district level, district FPDs in Lam Dong act as key focal points to advice DPCs in planning, operation and law enforcement for forest protection, management, and forestland allocation, that making it different from other provinces where these tasks belong to Division of Agriculture and Rural Development (sub-DARD). District FPDs have an authority of managing, checking and monitoring forest law enforcement taken place by all forest holders either households, community or state-owned and private forest management organisations. Each district has an inter-sectoral cooperation board set-up by DPC focusing to forest patrolling and prevention of illegal logging, forest fire and encroachment when it needed. This is an ad-hoc multistakeholder institution which key actors are district FPD, police and military agencies, and state-owned forest management boards. Representatives of district mass-organisations (as youth union, farmer association), broadcasting and TV are also invited to join in this platform. No informal institution is found at district level.

² <http://baolamdong.vn/kinhte/201207/Qua-hai-nam-thuc-hien-chi-tra-dich-vu-moi-truong-rung-2176932/>

At grassroot level, in principle, the communal people's committee (CPC) is the heart of formal power as they are legally authorised and responsible for state management over (natural) forest management within their communal territory. They are however not able to interfere and have no real power to influence on forest land-use planning and forest use in those areas that are being managed by national park, state-owned forestry companies and/or private companies, instead of supporting those forest holders in forest contracting and allocation to local households. To handover that responsibility, in Lam Dong, CPC set-up a joint body as Communal Forestry Board, which is chaired by a CPC leader. Members of this board include communal forestry staff, police, military staff, village chiefs, field ranger(s) of district FPD in charge of that commune, and representatives of related forest management organisations situated in the commune. This multi-stakeholder is mainly for regular information exchange, dialogue and action-based cooperation (to deal with specific cases) rather than a decision-making body. Contributing to forest management at village level, like in Di Linh and Lac Duong districts, is groups/teams of local households who have contracted with state-owned forestry companies, PFMBs and/or National Parks for forest protection with annual payment. This is a kind of informal community institution (15-20 households per group on average), and recently has been replicated and expanded in villages being engaged with PFES.

In practice in Lam Dong, the processes of planning, decision-making, law compliance and enforcement in forest protection and management given by three formal authorities said above could be strongly influenced by many other stakeholders/groups, both formal and informal ones, of which the research team found the most influential group belongs to state-owned and private investors, and the least influential one is social mass-organisations among many others as follows:

- State-owned and private investors: in recent years hydropower and rubber plantation companies emerged as a key drivers to the loss of natural forests in Lam Dong, excluding many other well-known traditional business there such as coffee, flower and vegetable plantation, timber processing, mining and tourism; mainly influencing to planning and decision-making at provincial level;
- Consulting firms: senior managers of ODA projects in Lam Dong like FLITCH said that consulting firms can help to easily connect and facilitate DARD and DONRE working together; while other blamed other firms on hydropower, mining, rubber plantation, infrastructure could propose such development plans that potentially result to significant deforestation and forest degradation; mainly influencing planning at provincial level;
- National media: not similar to Lam Dong Newspaper, Television and/or Radio, news and critics related to violations in forest protection and management in this province are usually disclosed to public on popular national newspapers like Lao Dong (Labour), Thanh Nien (The Youth), Tien Phong (The Pioneer) or Tuoi Tre, and push involving parties have to take accountable on that;
- Da Lat University (e.g. Faculty of Environment, Faculty of Justice, and Faculty of Agro-forestry) and International NGOs (e.g. Winrock International, JICA, SNV, RECOFTC) can technically facilitate and provide evidence for provincial policy-making, capacity building and other consultancy services for provincial, district and communal authorities in community forestry, FPES, REDD+,...
- Many hundreds small-scale timber processing (household-based) with operational permission legally granted by district authority are considered as threats to natural forests due to their potential engagement to timber illegally logged and traded by local villagers that are still commonly happened in Lam Dong; mostly influencing to law enforcement at district and communal levels;
- Local mass organisations such as fatherland front, women union, youth union and farmer association had no clear evidence that they made real contributions to good protection and management of forests in grass-root level, even though they always confirm their key roles are for raising awareness (or propaganda) and mobilising local villagers/communities for that.

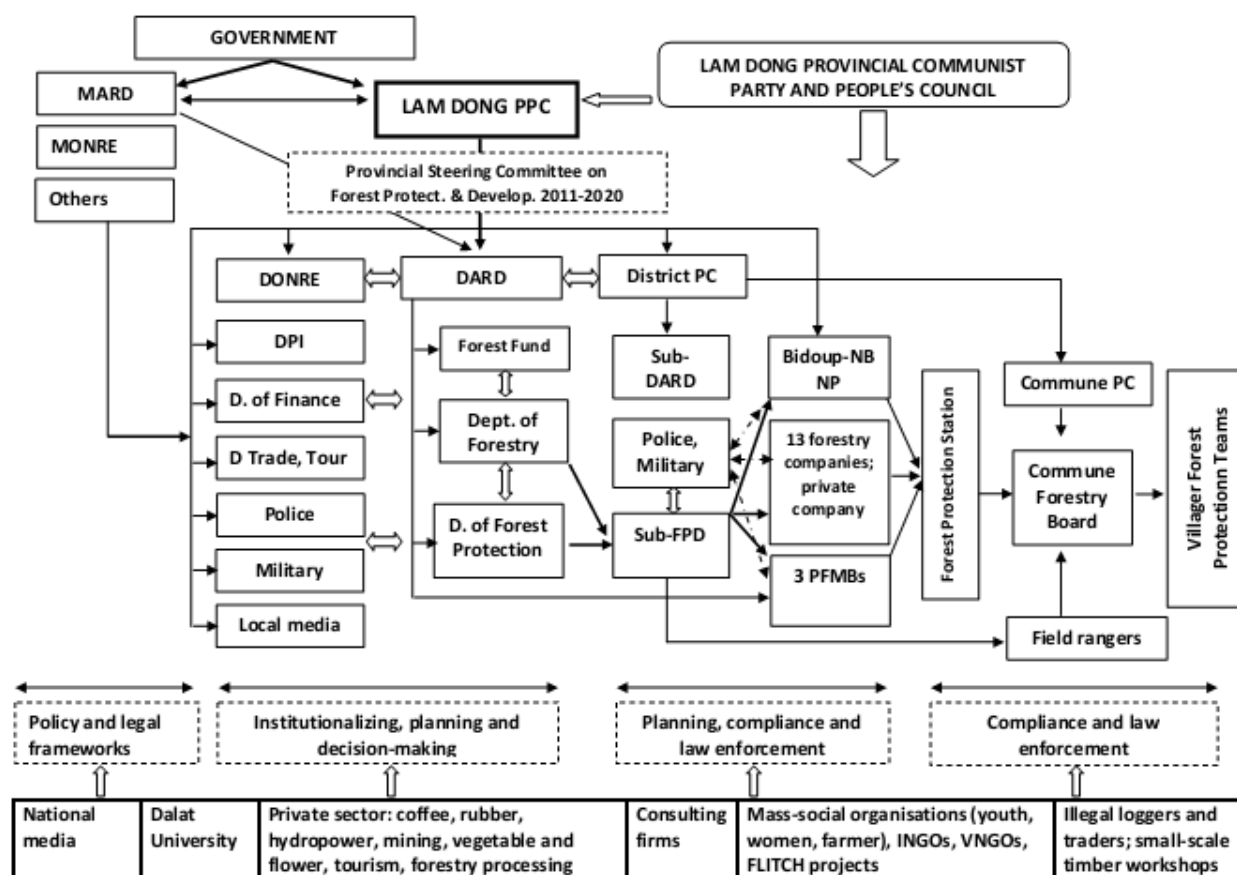


Figure1. Forest institutions of Lam Dong Province.

3.2.2. Institutional analysis

a) Lam Dong PPC

As regulated by the forest law (2004), Lam Dong PPC is overall responsible for united state management for all forests and forestry operation in the province. Given by its power and obligations, this authority has rights and responsibility for developing provincial forest management, investment and development policies and strategies, forest land-use and allocation planning; locally institutionalising national forestry policies and programmes issued and guided by the Government, MARD and other ministries; setting-up provincial institutional/ organisational structure for forestry operation; and ensuring forest law enforcement in the province. Being directed and monitored by Lam Dong Provincial Communist Party and People's Council, PPC has to ensure all objectives of provincial forestry development would be performed and achieved as stated by political resolution and commitment.

To implement the Decision No. 57/QD-TTg issued by Prime Minister, Lam Dong PPC has completed developing the provincial forest protection and development planning 2011-2020, which was then approved by the Provincial People's Council in last December 2012. This master plan has acknowledged application of forest carbon finance mechanism like REDD+ in the province. Particularly, the realisation of national REDD+ action programme in accordance to Prime Minister's decision No.799/QD-TTg issued on June 27th 2012 would also enforce the PPC to develop a REDD+ action plan for Lam Dong upto 2020 and continue participating the UN-REDD programme (phase II) implementation as a pilot province already identified.

The PPC's responsibilities of state management of forests and forestry land are implemented through Lam Dong's DARD and DONRE as key actors in cooperation with district PCs and other provincial departments such as DPI, DoF, Military and Police. In addition, the PPC has established and directly managed Bi Doup Nui Ba National Park and 14 State-owned Forestry Companies, which cover an area of 1306 ha, mainly natural forests, equivalent to 43 % of the provincial forests. It has authority to

make decisions on annual operational budget and land-use changes given for these forest management organisations. And such decisions are often signed by either the PPC chairman or one deputy chairman in charge of agriculture and rural development sector.

Since 2009 the PPC established the Lam Dong Forest Protection and Development Fund, a multistakeholder-participated financial institution belonging DARD with an annual revenue upto hundreds billions deposited by hydropower plants and water supply companies in compliance to the PFES policy in-force since 2010. Potentially, this fund is suggested to manage and channel revenues from REDD+ payment to forest holders once it is realised in Lam Dong.

Though objectives and commitments of the province toward forest management and development have been made, but recent policies and decisions by the PPC that have posed great challenges to achieve them, such as prioritising forest allocation to private sector rather than that to local households and communities, or supporting to forest land conversion for industrial plantation like coffee, rubber and export flower, or mining and hydropower development. Not only making deforestation and forest degradation in the province tolerated, but these decisions also slowed down their efforts in poverty reduction as local villagers were marginalised from participating and benefiting from forest sector in sustainable manners, and creating conflicts over forest and land use between local villagers and companies and local authorities. Responses given by local villagers in Da Chais, Da Sah, Gung Re and Bao Thuan stated that they were not informed and/or consulted when the PPC making decisions to allocate forests in their communes to companies, and preventing them from access and utilisation they traditionally used to do so. This reality has raised a significant problem that local villagers or even district and communal authority officials do not trust PPC's decision-making processes because of less respect to local community's benefits and lacking transparency, accountability, inclusive and consensus in practice.

b) Lam Dong DARD, including FPD, DoF, FPDF

Acting as a sectoral advisory for the PPC, Lam Dong DARD with three supporting line-agencies Forest Protection Department (FPD), Department of Forestry (DoF) and Provincial Forest Protection and Development Fund (FPDF) are considered as key bodies for managing, protecting and developing forest resources in the province, including recently implementing REDD+ initiatives and FPES policy. Annual plans and proposes on forest land allocation; contracting and/or forest lease in Lam Dong must be either prepared or reviewed by DARD before submitting to the PPC for approval in prior implementation. However, in past ten years, forestland allocation to households and local communities was not prioritized with a limited number of demonstrations piloted. This reality resulted to the fact that cooperation between DARD and DONRE for forest-land allocation was quite blur and less frequent. No specific collaborative mechanism among them was officially formulated, instead of relying on personal relations between their officials.

Led by DARD, in 2012 DoF in cooperation with FPD were assigned to work with 17 local state-owned forest management organisations to draft the provincial forest protection and development plan 2012-2020, and submit it to the PPC to review before getting approved by the Provincial People's Council. An informant from DoF figured out this plan was solely developed by DARD and its allies without broader consultation with other departments and district agencies, including DONRE. Even lessons learn from participatory and bottom-up planning for forest management and development having been effectively tested by a DARD-coordinated FLITCH project in Lam Dong that were also not introduced and adopted for that master planning. The plan was considered as a product meeting the requirement of MARD on institutionalising the PM's decision No.57/QD-TTg, rather than a practical policy instrument of the province. This was explained that the province would not be able to adequately finance to implement and achieve those results the plan expects to do so.

Particularly, FPD is often in charge of state management and law enforcement in forest protection, prevention/mitigation of illegal logging and forest encroachment, and control of forestry products mainly in and from protection and special use forests. Beside its head-quarter office in Da Lat, the Lam Dong FPD authorises 13 district-FPDs in charge of forest management and protection at every district, including one branch belonging to Bi Doup Nui Ba National Park. Local forest rangers are located at province, district and down to every commune (also called as field-rangers), enabling them to access and oversee forestry activities taken place by local forest management intitues (individuals, households, communities, and organisations).

In Lam Dong, cooperation between FPD and Military and Police forces has been set-up with more frequent operation at district level through joint forest patrolling to against illegal logging and forest-land encroachment at hot sites where being managed by state-owned forest holders such as management boards of special-used forests, protection forest and forestry companies, especially in remote, border-line forest areas between Lam Dong and Ninh Thuan and Khanh Hoa. To encourage such cooperation, district military and police have been contracted and get paid to protect thousands hectares of forests based on forest land allocation. However, this kind of contracting has raised a question on political and financial legality of the institutional relation between such local ranger, military and police agencies. Obviously, such forest protection contracts were not publically and transparently disclosed, and informally considered by local FPDs as an internally and locally adopted affair in order to generate/provide income or pay cooperation/patrolling expenses. But no evidence was provided to reflect how well such forest protection was handled by local (district) military and police agencies.

Informants from districts and communes were suspicious that district FPDs/local rangers sometimes have complicated relationships with local private companies and timber traders or even with some local leaders, which being suspicious involving and/or illegal logging, transport and trade in their locations due to corruption. On another hand, some local ranger unofficially said that they do not always have power and rights to conduct forest law enforcement properly and effectively, for instance sometimes they had to release confiscated timber and loggers when a district/provincial leader informally tell or pressure them to do so via phone-calls; or they have less power to process prosecution over arrested illegal timber loggers and traders as it mainly under the authority of police agencies. As many stakeholders being involved and functioned over forest protection tasks, so local FPDs always tried to be less accountable by shifting the blames of deforestation and forest degradation on direct forest holders, especially local villagers with a common discourse as forest thieves or hijacker.

Department of Forestry is majorily in charge of supporting DARD in forestry land planning and allocation, forest plantation/afforestation and silviculture techniques, focusing on production forests and protection forest enrichment in the province. They usually work with DONRE, district PCs, state forestry companies, protection forest management boards in implementing forest land allocation and/or forest release projects. With a total of 14 working staff, Lam Dong DoF is greatly challenging to well handle over such tasks. Not similar as FPD, DoF does not have a branch/network working at district and commune. They usually have to deliver their tasks through district FPDs whose experience is much with law enforcement for forest protection and forestry product management rather than forest plantation/afforestation. According to DoF informant, this province does not want allocate forest-land for households and village community with land-use titles (red book for 50 years), as they believe that forests would be shortly cleared off as what was similarly happened in Dak Lak. Therefore, since 2000 through the 661 and 30A Programmes the province has mainly concentrated on household contracting for forest protection with an estimation of 18.000 households annually paid from their participation. Not supporting for forest land allocation to households could result to a challenge in properly determining forest owners, their carbon rights and benefit sharing mechanism for international carbon trade.

Admitting their interest in REDD+, informants from DARD, FPD and DoF see it as a future opportunity of generating an additional financial source for forest protection in Lam Dong. But they also express their concerns with regard to certainty and feasibility of REDD+ performance and payment in Lam Dong since national legal framework and guidelines for this on-going internationally-driven mechanism are not available. As many times, they usually question if the province could lose their power/authority over management and utilisation of local forests once they are to be designated for long-term carbon trading contracts with foreign investors (or buyers) under international regulations. It is clear that while information and knowledge about REDD+ are not well informed to local stakeholders, then it might affect their attitudes and interest toward doing REDD+ in the province.

Past experience in piloting UN-REDD activities in Lam Dong also raised a matter of argument on which local agency should be selected as focal point(s) for REDD+ when DARD's Planning Division was assigned that tasks, while DoF was not much getting involved. A common consensus is that DARD, under administration of PPC, should be acting as focal institution for REDD+ in the province, but FPD and DoF should be as implementing agencies, of which FPD is in charge of first two objectives of REDD+ (mitigating deforestation and forest degradation), and the rest three objectives belong to DoF duties (sustainable forest management, carbon storage and carbon enhancement).

Lam Dong FPDF, a newly established by PPC and directly administered by DARD since 2009 is a multi-stakeholder trust-funding institution responsible for mobilising financing resources (out of state budget) for forest protection and management in the province. Currently, majority of the FPDF revenue in Lam Dong come from hydropower and water supply companies through PFES policy compliance. Closely collaborating with state-owned forest organisations, district FPDs and communal authorities, FPDF quarterly delivers direct payment in cash to forest holders, mainly households, who have contracted with forest organisations on forest protection. Local officials are much proud of that Lam Dong is the leading province in Vietnam about recent PFES performance, and believe they could use this trust fund for administrating and distributing REDD+ payment to local forest holders once it is performed. However, some of state-owned forest organisations such as Bidoup Nui Ba National Park, forestry companies and protection forest management boards wanted the PPC to reconsider the power of decision-making of FPDF in payment when they need to have stronger roles in that process as service producers and managers. Though these state-owned forest organisations managing almost natural forests in Lam Dong, but none of them are served in the FPDF Management Council which includes representatives of DARD, DOF, DONRE, DPI, DOIT, DOST, Department of Taxation and Provincial Treasury under chairmanship by DARD Director.

c) State-owned forest management organisations and private companies

A highest percentage as over 85% of Lam Dong's forestry land area that is being managed by state-owned forest organisations, including 02 national parks Bidoup Nui Ba and Cat Tien (e.g. Cat Loc area), 15 PFMBs and 08 one-member forestry companies that were previously transformed from state forestry enterprises, excluding some other forest areas, basically production ones being managed by DPCs and/or CPCs (which not yet allocated). Most of forests allocated to these forest holders are natural and rich, demonstrated by an estimation of over 80% in the province's timber and bamboo volumes being controlled by them, of which PFMBs taking the biggest stock 42.3%, following by forestry companies as 21.3% and NPs as 16.4%. This highlights a significant impression on potential economic values of local forests, and might interpret why the Lam Dong authority wanted to remain these possessions without encouraging/promoting forest allocation to local households and communities in the province.

The views of institutional arrangement, all these state-owned forest organisations are directed and under controlled by DARD for their professional operation in forests reflected through annual action plans they have to submit DARD and being monitored by DARD over their performance and compliance. However, actual authority to administer NPs and forestry companies belongs to the PPC while the other PFMBs are under administration of DPCs (or DARD), especially in term of planning and making changes in forest-land use. This means that such forest holders have little power of solely making independent decisions that lead to change their forest management plans which were reviewed by DARD and approved by the PPC.

As stated by laws, management boards of such NPs and PFMB are not considered as forest owners though when they were officially established, a land-use decision was legally granted by the PPC. Rights on ownership (and making changes on some extents by laws) to that special use and protection forests still belong to the PPC, and they annually provides state finance for management boards of NPs and PFMBs to carry out planned forest protection, management and development activities in place on behalf of the PPC. This means that management boards of NPs and PFMBs do not position as real owners over forest related properties in the areas they are assigned to manage. This has made them reluctant and affected their ability toward enforcing laws and adopting alternative solutions to strengthen effectiveness in forest protection and management. On another aspect, by recognising themselves as primary creators and/or managers of forest ecological services, both management boards of NPs and PFMBs are requiring to have more roles and authority with regard to making decision on managing and distributing PFES revenues in Lam Dong, instead of being directly managed by the provincial FPDF at the present.

Similar to Bidoup Nui Ba NP and PFMBs, (one-member) forestry companies also do not have much power over the forests and forestry-land they are assigned to manage even though land-use entitlement were granted. All decisions in favour of giving their forests or forestry-land to private companies for rubber plantation were made by the PPC. Being legalised as companies, but most of FCs in Lam Dong that are doing little business, commonly focusing on simple processing of planted woods at small-scales because harvesting of natural forests e.g. timber logging were provisionally

closed in the province recently. Similarly to NPs and PFMBs, these CFs are also financed by the PPC for their assignments on (natural) forest management, for instance contracting with local households for forest protection. But, having less power toward (natural) forests and lacking finance that are two among the most challenges that FCs in Lam Dong have been confronting, that weakened their ability in forest protection and raised conflicts with local villagers in preventing illegal logging and forest encroachment. Such CFs have been interested in the provincial policies on promoting public-private partnership in forest management and development by encouraging private companies to engage with and work with CFs on forest leases and/or investment into converting (poor) forests for coffee, rubber plantation and/or tourism services. However, such decisions were still made by the PPC eventually in a way that many CFs informants said they were ignored and pressured under hidden lobby facilitated by private companies either in Lam Dong, HCMC and/or Hanoi. At the moment, CFs in Lam Dong that are waiting for new policies on CF reform/restructuring from the Government, by which they hope logging permission would be continued.

In the past decade, private companies have become a key driver leading to significant changes in the landscape of forests in Lam Dong. A proportion of over 15% of provincial forestry land was allocated to hundreds of companies based on national policies on forest lease and provincial incentives for private investment into forestry sector. Many informants from province and district agencies determined informally that those companies being invested in small hydropower construction, rubber plantation and other services in Lam Dong had strong influence to the provincial leaders and PPC in making decisions on forestland allocation, forest lease and forest conversion in their own ways that putting district, communal authorities and local communities with less weight. Lacking transparency and participation in making such decisions have raised a lot of concerns among local authorities, and caused various conflicts with local villagers in terms of shortage in cultivation land, access to forests, compensation, employment, etc as the research team was locally informed in Da Chais and Da Sah communes. A recent progress in Lam Dong, as the research team was informed, that about 100 project contracts with private companies on forest lease had been terminated by the PPC because of their failure in compliance to investment agreements they had committed (after two years commencing).

d) Provincial Police and Military and other justice agencies

Inter-agencies cooperation between ranger, police and military forces for forest protection, prevention of forest fire and illegal activities that was ruled and guided by an inter-ministry circular No.144/2002/TTLT-BNNPTNT-BCA-BQP dated on 13 December 2002 between MARD, Ministry of Security and Ministry of Defence. Not like many other provinces in Vietnam, no provincial (legal) instrument was then made by Lam Dong authorities to institutionalise this circular for long-term compliance. Instead of this, the PPC usually issues and delivers instant/urgent messages³ and/or instructions⁴, known as common kinds of administrative documents to promptly request involving agencies, either individually or cooperatively, such as DARD, FPD, state-owned forest management boards, DPCs or provincial Police, Military responding immediately by actions toward preventing forest fire in hot seasons or illegal logging and forest invasion at hot spots.

At district like Di Linh, close cooperation between district FPD and forestry companies with local police and military has been formulated through a joint-sectoral team which mainly focuses on forest patrolling to against forest invasion taken place by local villagers for expanding land for coffee plantation. In Lac Duong district, collaboration between forest holders such as Bidoup-Nui Ba NP and Da Nhim PFMB with district police and military is clearly stressed in struggling to illegal logging in trans-areas between Lam Dong and Khanh Hoa or Ninh Thuan. The research team however found no local assessment, at least from district FPDs and forest holders, about effectiveness of this kind of inter-agency cooperation, or saying in another way, their contribution to forest protection in the place that is still questionable since illegal logging and forest encroachment in such districts are still remained. At this point, district FPDs wanted blame to their lacking of budget paid for expenses occurred while taking cooperative activities, and this was informally explained for thousands hectares of forests e.g. in Di Linh that were allocated to district police and military and then these forces could receive annual payment on forest protection basis. However, this disclosure was not accepted by

³ For example, an instant message No.777/CD-UBND dated 21 February 2013 issued by Lam Dong PPC Chairman on requests of strengthening actions toward preventing and stopping forest fire in Lam Dong province.

⁴ For example, an instruction No.01/CT-UBND dated on 08 January 2013 signed by Lam Dong PPC Chairman on strengthening forest fire prevention in dry season 2012-2013.

provincial authorities like DARD when they confirmed that allocation is for security or defending purposes.

Many district informants also expressed their concerns over this joint-agency cooperation when they assumed it was more focusing on fights against local (poor/ethnic) villagers who violated than against key local actors contributing to forest loss such as illegal loggers and timber traders (and their network) as well as violated wood processing workshops in their districts. This was admitted by the fact that a few of forest violation was prosecuted in Lam Dong in past decade even though thousands of forest crimes were officially recored every year in the province, including several forest hijacks' attacks making local rangers terribly-hurted.

e) Other departments, including DPI, DOF, DOIT, DOST, DOLISA, DOCST

Among other departments, DPI is regarded as one of the most important actors, just behind the PPC, who has potentials of making significant influence to the remaining forests in Lam Dong. Acting as a focal point to advise the PPC, DPI is responsible for developing the provincial economic and social development planning, including annual plans or long-term master plans or growth and poverty reduction strategies/programmes, and reviewing sectoral development plans as forestry and agriculture to ensure that they are integrated and being consistent to that provincial development plans, including land-use plan. DPI has to review and advise the PPC considering trade-offs in making choices between economic development objectives and forest preservation, or harmonising choices with win-win solutions for sustainable development. But, increasing investment in hydropower development, mining, rubber plantation in recent years which partly contributed to the loss of thousands hectares of natural forests per year has proved forest conservation was actually undermined in Lam Dong's policy agenda in some extents. For example, more forests in this province would be sacrificed for the plan of 150.000 ha rubber plantation by 2020. Roles and power of DPI are also highlighted by its responsibilities throughout the process of guiding and granting investment permissions for private sector in Lam Dong in prior to final approvals made by the PPC. Good considerations provided by DPI on negative impacts or risks on forests that an investment proposal might cause would facilitate the PPC taking more accountable in making a final decision.

Informants from Lam Dong DARD, FPD, DoF and others agreed that the Department of Finance (DOF) has a critical influence on how much yearly budget the PPC would allocate for forest protection and development activities. According to DARD, DOF usually made a large cut-off from their fiscal proposal, and argued that it was hard to convince DOF to have a shared view on actual expenditure and financial demands for forest protection in increasingly challenging contexts in Lam Dong when the provincial fiscal cake is limited. Some informants also wonders if DOF would cut off local budget for management of special use and protection forests once REDD+ revenues were generated from these areas.

Beside, efforts in maintaining the existing forests in Lam Dong are challenging with competition and development interests of other sectors which are under management rights of DOIT (in hydropower, mining, timber processing, export coffee, flower), DOLISA (in demanding more forestry-land for the poor and ethnics), or DOCST (in mobilising private investment in tourism infrastructure development). Except inter-sectoral consultation is usually used, but no negotiation mechanism found in place to address such interest conflicts among different departments, thus final decisions are shifted to the PPC.

f) National and provincial media (newspapers, TV agencies, including social media)

Due to political obligations, Lam Dong newspaper, radio and television are not encouraged to frequently public "bad" news on deforestation and forest degradation being happened in the province. What they disclose to local people is always under close orientation and strict monitoring provided by the provincial communist party's propaganda and education division in order to avoid public critics on local authorities for their working performance. One advantage that local media in Lam Dong, especially broadcasting in ethnic languages by district radio and television that could help access and disseminate information on forestry policies and laws to local villagers, and raise their awareness. However, interest of native people in such local media still requires a further assessment to verify effectiveness of this tool.

In contrast to local media, forest crimes in Lam Dong are usually reported by many national newspapers such as Lao Dong, Tien Phong, Tuoi Tre and Thanh Nien and re-covered by many online

newspapers or websites. Illegal logging, timber trade, poor law enforcement and forestry-land conflicts are the most interested coverages appeared on these newspapers, in which journalists tried challenging with local authorities and involving stakeholders on their responsibilities and performance on forest protection and requiring them on better accountability. Such engagement of national media can lately result to informed responses by the PPC or Government Office or MARD to request responsible agencies for taking appropriate actions to handle such disclosed violations in the province.

g) Consulting firms and services, including Da Lat University, INGOs

Representatives or scholars of Da Lat University, particularly from Faculties of Environmental Sciences, Agro-forestry, Law Studies and/or Sociology and Social Work, are usually invited to be official/permanent members of the provincial scientific committee coordinated by DOST or attend scientific consultation platforms (e.g. workshop, meeting, working group) organised by the PPC, DARD, DONRE, DOST and DOIT. This engagement is based on administrative agreements/decisions or service contracts which enable them to share their knowledge and advices on the issues of environmental impacts assessment, land use planning, community awareness, grassroot development planning, PFES, FPIC/REDD+, training and capacity building for local audiences. While being identified itself as an important institution in the province, particularly in term of providing scientific information and human resources (e.g. trained graduates, lecturers), they admit that power of decision-making on those issues eventually remains strongly in the hands of the provincial authorities, including the party committee as the highest and the PPC as usual. Position of this university in the provincial institutional structure, particularly in natural resources and forestry sectors, is likely determined by individuals of experts rather than an organisation as a whole. Thus their role and participation in advocacy for provincial policy development are quite weak; part of the reasons is their concerns on what they call as political sensitivity or respective to local power hierarchy. Providing training and awareness services and baseline studies might be considered as strengths that this university can do in forest management and development in Lam Dong. However, further assessment on their inter-disciplinary study capacity (may require for REDD+) and availability and readiness of experts might be necessary.

Formally, international development agencies, INGOs e.g. WB, UNDP, Winrock International, SNV, JICA, Toward Transparency and Vietnamese NGOs, as external actors, do not belong to provincial institutional system, but can certainly influence more or less local decision-making through their ODA projects and/or partnership for the province. Given PFES policy as an example, Lam Dong was chosen by the Government as a pilot since 2008⁵, and with technical support provided and facilitated by Winrock International and MARD through a three year USAID funded project, a national PFES policy came out and Lam Dong has become a leading province in institutionalising and implementing this with the set-up and operation of a FPDF⁶ for the province. Not only providing technical and financial supports, they can facilitate local authorities and other stakeholders (e.g. local communities, non-state organisations, private sector) working together to initiate and demonstrate new practices and then based on that to promote and contribute to making new policies such as PFES, REDD+ (FPIC, BDS), forest co-management, community forestry/household forest allocation, or grassroot participation etc. However, such contribution could be limited due to administrative and political barriers, as reflected by an informant from Toward Transparency, with some sorts of security reasons, given by local authorities to foreign experts working on governance issues related to rights of indigenous people, community institution, grassroot monitoring/democracy, transparency, etc.

Consulting firms, as a form of business institution, is also identified as an important actor in policy-making and stakeholder facilitation in Lam Dong. A FLITCH project manager highly appreciated the Lam Dong Agro-forestry Consulting Center as they ever helped his project facilitate DARD and DONRE working together effectively for participatory forestryland use planning and allocation at the project sites. As he said the consulting firm helped to deliver that assignment quicker and save time, otherwise it would take longer as usual. On another view, similarly to many provinces, several provincial plans for hydropower development and/or mining were drawn by external consulting firms, which based on that have led to significant disturbance to forest resources in Lam Dong once they are approved for implementation. In these planning, forest conservation and environmental security were less considered seriously. In addition, some informants from Lac Duong district also

⁵ Decision 380/QĐ-TTg dated 10 April 2008 by Prime Minister on piloting policy on PFES

⁶ Decision 333/QĐ-UBND dated 17 February 2009 issued by Lam Dong PPC on establishment of Lam Dong Forest Protection and Development Fund and its organisational and operational regulations.

pointed out that some consulting firms in Lam Dong has utilised their own working relations (with provincial authorities) to facilitate and help private companies to quickly “occupy” forest and forestryland for business purposes in accordance to forest lease policy. They were part of land use conflicts being existed on the ground in this province, but rarely undisclosed or unaccountable in problem-solving processes.

h) Provincial mass-organisations, including women union, youth union, farmer association, Lam Dong LUSTA

In 2008 Lam Dong Provincial Communist Party's Standing Committee promulgated an Instruction No.41-CT/TU on strengthening the party's leadership in forest management, protection and development in Lam Dong. And following this, in 2009 the Lam Dong PPC has issued a Decision 13/2009/QD-UBND on collaboration rules between forest rangers with departments, agencies and political-social mass organisations in the province in forest protection, forestry products management and forest fire prevention. According to this decision, beside local police, military forces and state-owned forest management organisations, the Fatherland Front, youth, women, farmer and veteran unions/associations became main collaborators with local FPD (province/district) in promoting public awareness, forest patrolling and prevention of illegal logging and forest fire, forestry-land allocation, household contracting for forest protection, and forest plantation. A report by DARD presented at a provincial meeting on 25th August 2011⁷ informed that in compliance to that instruction and decision, they organised 4.756 propaganda meetings to raise awareness for almost 107.000 people; more than 118.000 leaf-flets/brochures delivered, nearly 25.500 forest protection agreements signed, and 329 villages developed their own forest protection regulations.

Two main activities that all mass organisations usually mentioned about their collaboration are “propaganda/awareness-raising” (as one-way information dissemination, *tuyen truyen*) and “mobilising people” (*van dong nhan dan*) toward protecting forests and stopping illegal logging. Each of these organisations has a wide and well-organised network ranging from province to district, commune and village, thus they can easily access to villagers. However, the research team found no clear evidence or description from them on how their pair-collaboration with local FPDs was performed after the decision went into effect. Many said that collaboration did not work well because they were not financed to deliver propaganda and mobilizing campaigns, thus they had to integrate some messages of forest protection into their regular meetings. Observations from meetings with communal officials point out that these organisations actually were not trained, motivated and prepared that enabling them with knowledge, skills and resources to realise that collaboration in practice.

i) District authorities, including DPC, district FPDs and other divisions

As mentioned above, the formal authority given to forest management and protection at district mainly belongs to and is performed by DPC, district FPD, forest management entities (organisations and households) and local joint-forces of ranger, police and military, of which DPA is legally responsible for overall (state) management of forests and forestry-land in district. Despite of this, DPC's decision-making power in forestry-land use planning and forest lease is likely weak as they have to comply and follow decision and planning made by PPC. This is to explain why private companies usually ignore DPC when they process forest lease and/or hydropower construction projects in the district. Responsibility of DPC is more related to monitoring on how such PPC decisions were complied by involving stakeholders and keeping PPC informed about that. Its power in enforcing laws and fining violations is also limited, therefore DPC usually acts as an intermediate message deliver in addressing conflicts between local villagers and private companies in term of access to forests and/or land-use competition.

Obvious responsibility and authority of DPCs are commonly taken place in prevention of forest fire, illegal logging and forest encroachment, management of forestry products, forestry land allocation to households, and management of unallocated production forests. They do these tasks through district FPD and a joint-task force consisting of local ranger, police, and military and forest holders. It is clear that DPC's current power in state management does not help them to deal with inequality in access to forests and forestry land and associated mechanism of benefit sharing among local villagers and state-owned forest management organisations and private sector. The research team found that Di Linh and Lac Duong district leaders had little involvement in PFES and the restructuring state-owned

⁷ News on Lam Dong online-newspaper: <http://baolamdong.vn/chinhtri/201108/So-ket-3-nam-tang-cuong-su-lanh-dao-cua-dang-trong-quan-ly-bao-ve-phat-trien-rung-2067518/>

forestry companies that being reviewed by the Central Government. This would be hard for them to challenge with scarcity of cultivation land, livelihoods for forest dependants, and poverty reduction if the Central Government still remains current schemes of forest management, and the PPC does not support and put more efforts on progressing forestryland allocation to local households and communities.

k) Communal authorities, including CPC and village communities

At grassroot, management power of CPCs over forest resources that is not clearly defined for their performance, and usually conflicts with forest management boards. Their rights in decision making for forestry land use planning are quite weak, and normally they have to obey and comply once it is made. Their responsibility and engagement is more associated with awareness raising, prevention of forest fire, illegal logging and forest invasion, assistance to forestry land allocation, and mobilisation of community participation in forestry activities in their communes. To do these, CPC set up and lead its communal forestry board (CFB), a multi-stakeholder institution that consist of communal leaders, forestry police and military staff, village chiefs, field rangers assigned by district FPD, and representatives of in-place forest management organisations. DARD officials usually express their proudness and stress that CFB institution is funded by the state and only found in Lam Dong. However, the research team recognises that this body is mainly used for periodical information exchange rather than for decision-making, and does not make sense that it would lead to a forest co-management where local villagers are treated equally and able to negotiate and collaborate with local authorities and management boards of forest organisations to set up, perform and benefit from joint forest management and protection plans.

At village level, a kind of informal institution in forest management can found. It refers to groups of villagers/households who sign annually-paid contracts of forest protection with PFMBs and/or forestry companies. Size of each group found in Di Linh and Lam Dong ranges from 15-25 households, and they work together to set-up a forest patrolling workplan, and based on this the group collaborates with field staff of forest holders to perform that workplan. This model has now been extended to many communes being benefited from PFES in Lam Dong.

3.2.3. Stakeholder mapping and implications of institutional analysis to REDD+ and PGA in Lam Dong

The result of stakeholder mapping and analysis has been figured out in the two diagrams describing relationship between stakeholder's Power of decision making and their interest and influence on REDD+. The analysis of these relationship will help to find out how strong the stakeholders has their influence and decision-making power on REDD+ and how they will participate in REDD+ process.

3.2.3.1 Relationship of Influence and power of decision-making in REDD analysis

On the Influence and Power of decision making on REDD+ diagram it is clearly seen that Lam Dong Provincial People Committee (PPC) is the most powerful decision-making body in potential REDD+ in Lam Dong. PPC has the power not only to decide whether REDD+ could be developed in the province but also land use planning for REDD+. PPC also is a body which makes decision for REDD+ on policies, financial mechanism, human resource, coordinating institution for implementing REDD+ in Lam Dong. PPC's responsibility according to Decision 799 QD/TTg is to be the Chairman of REDD+ Provincial Steering Board.

Among provincial departments, DARD and its Department of Forest Protection is the highest consultancy body in forest protection and development, hence, it possesses the second power and influence to PPC in REDD+ implementation. Performing the task of provincial forest protection and development, Department of Forest Protection is the best choice for position of focal point for REDD+ Steering Board in Lam Dong. DARD, under administration of PPC, should be acting as focal institution for REDD+ in the province, but FPD and DoF should be as implementing agencies, of which FPD is in charge of first two objectives of REDD+ (mitigating deforestation and forest degradation), and the rest three objectives belong to DoF duties (sustainable forest management, carbon storage and carbon enhancement).

Follow DARD, Department of Natural Resources and Environment also plays an important role in forestry land planning for REDD+ and their recommendation on forest owners, forestry use will contribute to the success/constraint of REDD+. Department of Planning and Investment, Department of Finance, at certain level, have right to make decision and they are professional advisory bodies for

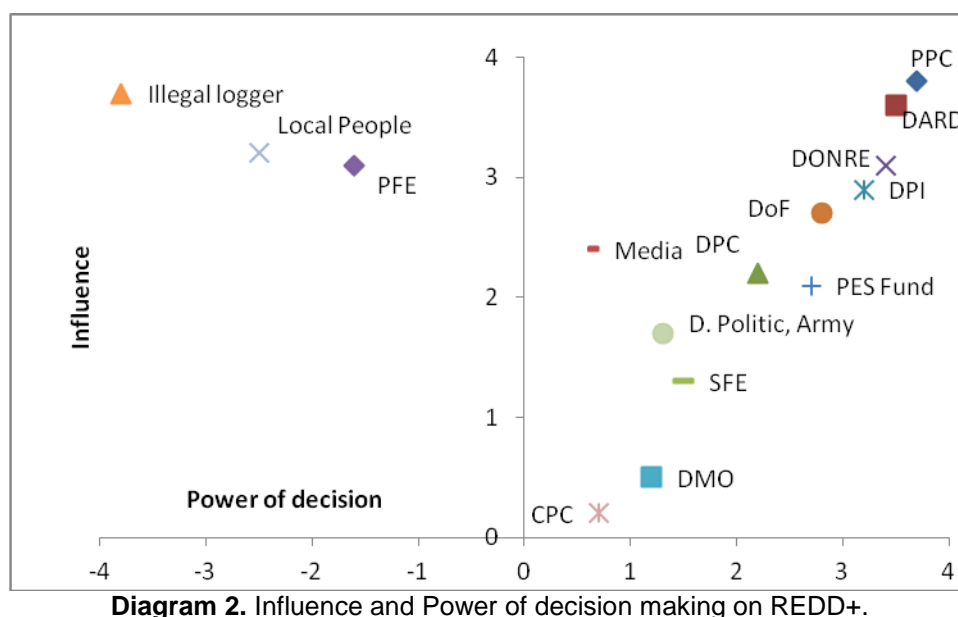
CPC. Therefore, it is necessary for them to participate in REDD+ Provincial Steering Board. Department of Industry and Commerce also has certain influence on land planning for production, construction and hydro-power projects but it does not necessarily join REDD+.

Although District People's Committee as well as its relevant functional departments is decision-maker in forest land allocation to local people and small enterprises, in Lac Duong and Di Linh and most other districts in Lam Dong, they do not perform the task mentioned above because of the policy in which forest allocation to ethnic minority people is restricted or banned. Therefore, it can be said that District People's Committee and other related departments has very limited decision making power in REDD+ implementation. However, they still has responsibility in implementation of REDD+ at district level. Although Police and military have weak voice or do not participate directly in REDD implementation, they are the two forces contributing valuable support in protecting remote/ bordering forests, and especially when forest fire occurs. State forest organizations are the owners of most forests in Lam Dong are main potential partners to conduct REDD+ at the province. They are the main partner in FPES implementation, and responsible for forest protection and development, contracting forest protection to local people.

According to the current mechanism of task assignment, they just perform the duty assigned by PPC and under the control of other functional departments, and this explains why they have so weak influence and decision-making power in REDD+ process. Commune People's Committee, in spite of their responsibilities for every activities, including REDD+ in the commune territory, has the weakest voice and influence on forest protection and development in general, on REDD+ in particular. However, in the communes of Lam Dong, there are Forestry Units who directly is in charge of forest protection and development; and they hold the key information on forest status. This is an organization which forest owners can cooperate to conduct REDD+ in the commune. The last institution, although it has no decisive voice but important influence on REDD+ in Lam Dong, is Lam Dong Broadcasting and TV agency. It should be highlighted here that Lam Dong Broadcasting and TV agency take important responsibility in performing politic tasks, and their strong and formal voice attracted attention from authority and local people.

In the diagram it can be seen informal institutions such as: mass-organizations (Vietnamese Fatherland Front, Women Union, Youth Union, associations), NGOs and Dalat University have no decision making power in REDD+, however, they are able to influence on REDD+ at certain level. If they are assigned certain tasks, they will become effective propagators for forest protection and REDD+ implementation. Da Lat university and other NGOs will be good performers of researches, pilot and community participatory activities in REDD+ such as: FPIC, MRV. Private firms do not have the right to make decision but they have strong informal influence on decision makers in REDD+.

Some private companies, especially in eco-tourism sector are the least effective companies in Lam Dong, because they poorly/ not invest anything in REDD+ after receiving land/forest and they have to make use of forest as quickly as possible for their own purpose and revenue. The last informal institution and extremely important one to REDD+ is the local community whose livelihoods based on forest, especially ethnic minority people. Ethnic community cannot make the decision that whether they should join REDD+ or not, because they are not forest owners but contract workers. In Da Sar commune where most household can join REDD+ in the role of contract worker for forest protection the forest may be better protected. Whilest in Bao Thuan and Grung Re there are few households (215 among 1,323 households) are contracted for forest protection and their income from coffee is not enough for their livelihood will create a big challenge for REDD+ since forest protectors can become forest destroyers if their benefits and livelihoods do not stick to forest and they are not real forest owners as long before they used to be.



3.2.3.2 Relationship of Interest and power of decision-making in REDD analysis

Based on relationship Interest and power of decision-making in REDD, potential REDD+ partners can be divided into 04 categories. The partners who participating directly in REDD+ belong to the group with highest concern on REDD (level from 2-4) and it has the highest decision-making right in REDD+. Main participants in REDD+ management and administration at provincial level consist of: PPC under the technical consultancy of MARD and main task performance of DARD and DONRE. At district level, DPC with the two functional departments (Natural Resources and Environment Department and Forest Protection Department) will directly monitor REDD process in the district. Mass-organizations, state forest organization will participate directly in REDD+ at locality.

Groups which need to be mobilized to participate in REDD+ are ones with medium or low interest to REDD+ (level 0-2), including: PPC, Provincial People Council, Department of Planning and Investment, Department of Labour, Invalids and Social Affairs, Department of Tourist and Communications, Police and Military, NGOs, Da Lat University, Center of Consultancy and Investment. These agencies with little concern about REDD+ have not so strong decision power but rather strong influence on the success of REDD+.

The group which need to be trained and strengthened capacity are ones with high level concern on REDD+ (level 3-4) but they face restriction on making decision power on REDD+. They are defined as: Communal People's Committee. To support CPC in performing their task of forest protection and development, community protection and REDD+ participation, it needs to build capacity, and more importantly, to empower them in implement of REDD+.

The groups for which need to raise awareness on REDD+, forest protection and management are ones with less interest on REDD+ (level 0-1), including: private companies and especially communication agencies at provincial and district level. It should be noted that some institutions such as: state forest organizations, community and mass-organizations with level of interest on REDD+ form 1-3 need at the same time to be strengthened capacity to participate in REDD+ and to be authorized more power in REDD+ implementation.

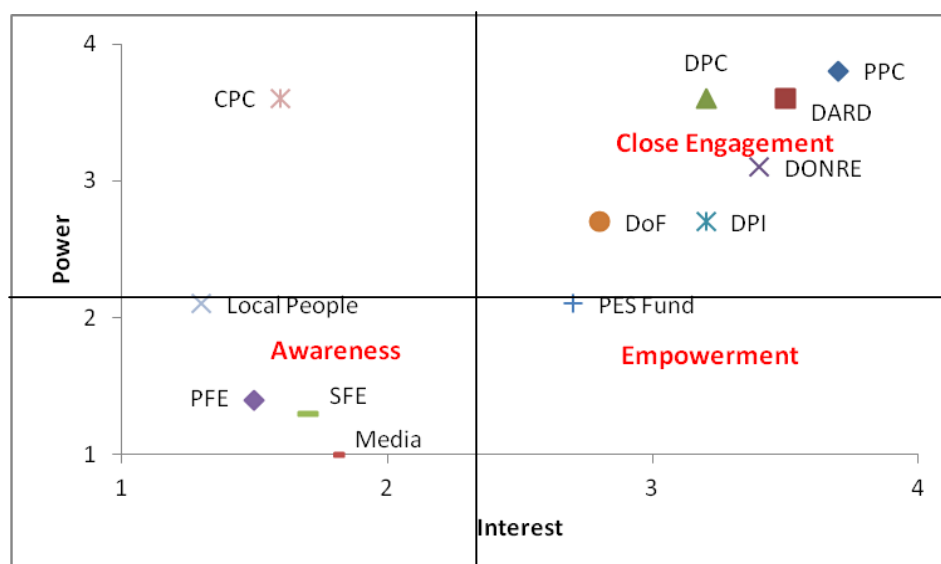


Diagram 3. Interest – Power of decision making of Stakeholder in REDD+.

4. Analysis of key governance issues for PGA/REDD+ in Lam Dong

In this report, the analysis of Institutional and Contextual goes through the framework which includes three parts: governance axes; governance component and governance principles.

The three main governance axes includes

- Governance component, it includes three aspects: Policy, Decision Making Process and Policy Implementation.
- Governance issues worked out during consultation with stakeholders at provincial, district and commune level
- Governance principles worked out during consultation with stakeholders at provincial, district and commune level.

The governance axes; governance component and governance principles are analyzed over the two main selected sectors of the forest land and forest management as follows:

- Forest protection and Development (Focus on Forest Degradation and Deforestation – D&D)
- Forest land Planning, Forest land Allocation, Forest land Renting and Forest protection contract.

In considering by stakeholders from province to district, commune and village level on two sectors 1) Forest protection and Development and 2) Forest land Planning, Forest land Allocation, Forest land Renting and Forest protection contract, the result gained reflects that there is the two kinds of opposite opinions: one mainly from the DARD officials and the other comes from the rest. They will be presented below and five governance issues and five governance principles have been identified and agreed by the stakeholders and the reasons why they are chosen them are presented in the analysis part below.

4.1. Governance issues identified after consultation in Lam Dong

The governance issues identified and agreed by all the consulted stakeholders are:

- 1) Existing management mechanism of forest land management is not ensuring opportunities for improving or maintaining local people's livelihood/well being;
- 2) Government agencies' management on the private companies' performance, especially on using of the rented forest land has not comply properly with the law/policies/contract ;
- 3) Law enforcement to prevent illegal forest degradation and deforestation is not very effective;
- 4) Commune authorities, local people almost marginalized from the forest/forest land use and management in their locality;
- 5) Inter-sect oral coordination in management of forest land and forest is not effective.

4.1.1 Governance issue 1

Existing management mechanism of forest land management is not ensuring opportunities for improving or maintaining local people's livelihood/well being.

The primary and secondary data shows that Lam Dong province has their own strategy which is different from the other provinces. According to Lam Dong strategy, there is a limitation to allocate forest land/forest to local households but a provision of priority to the private companies (some companies come from Ho Chi Minh city) for the objective of the economic growth.

Who or what institution have the rights to access to forest land? This is a vital issue concerned by the whole consulted stakeholder. The consultation results shows that there is the two loyal oppositions, it can be in brief in the box below.

DARD official's point of view	Provincial none-DARD officials, district, commune, village stakeholder's point of view
It should not allocate to forest land to households or community.	It should allocate to households or community with the long-term basic to secure the local people's livelihood
The local people with low education and loose cooperation cannot protect forest	The local people would not send the forest land can protect forest well and if there is clear boundary of forest land in the field and local people are fully informed on laws and responsibilities by government officials.
The local people would send the forest land if allocated land for them	
The mechanism of the existing forest users can meet the goal of economic growth and work well. The structure of government agencies and the state forest owner' management on forest is the best	The mechanism of the existing forest user is not equal and unfair for the local people The government agencies and the state forest owner' management on forest do not work effectively.
The existing management of forest – almost under the state management is effective (Program 661, PES, Forest ranger and Polices)	The existing management of forest – almost under the state management is not effective (Program 661, PES, Forest ranger and Police)
Consequently:	
<ul style="list-style-type: none"> - As lacking of the forest land for the livelihood, the local people encroach illegally the forest land, it is not easy to prevent. - The local people are the best in protecting forest becoming the best in violating forest, voluteerly work for the illegal loggers even with low paid. 	

In fact, number of households face with the shortage of agriculture land for their livelihood to maintain their livelihood, especially young couple who comes from the poor families. For example, in Bao Thuan commune, according to province criteria, a number of poor households lack of agriculture land for coffee and rice cultivation is high, 215 among 1,323 households, it makes up 16,25%.

However, regarding to forest land, the field experience in Lam Dong province revealed that there are groups of local people living around the forest but having no opportunities to access forest resources even through the 12-month forest protection contract through the state program like 661 Program or FPES. Even with such programs, only a part of poor households and ethnic minority groups who have the labor force have opportunity access to the contract of protecting forest with 12 month base and paid.

There is a great variation in opportunities to use forest resources between different groups: household, private company (who are from Lam Dong and other provinces) and State forest actors. Figure 1 shows the forest land area managed by different groups of forest user. State actors hold over 86.9% of forest area, the private company holds 12.7% while local people hold only 1.43%.

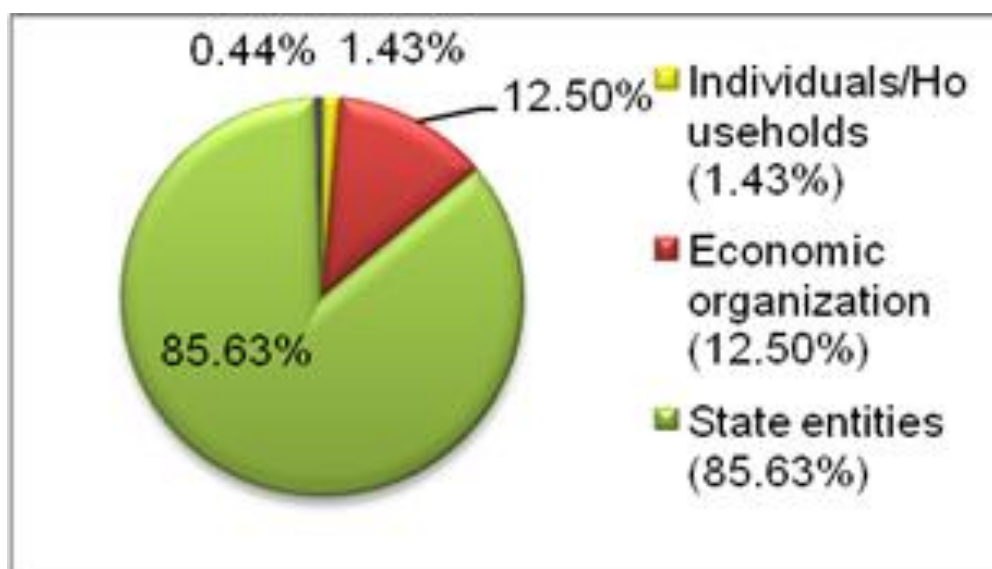


Figure 4. Forest user groups in Lam Dong Province.

Source: Consultations in Support of the Development of a Reducing Emissions from Deforestation and Forest Degradation (REDD+) and Compliant Benefit Distribution System (BDS) for Vietnam. Hanoi, October, 2012

It can be seen that the local people do not have opportunity to access the forest land in long-term base as the state policies wanted. Now, in Lam Dong, it just has been piloting the community based forest management model in 10 communities. It is a common knowledge at ground level that there is not equal opportunity for local people in accessing to and benefiting from forest land/forest in comparison with private companies and state forest actors.

The local people show that they wished to be allocated the forest land to themselves and guarantee to follow the laws in using it if they are provided full information, laws from the government agencies and clear boundary of forest in field. In Bao Thuan commune, some households requested for the forest land allocation that they have taken care for years since the 337 Program around 1990s, but their needs was not responded, meanwhile that right land were allocated to the individual staff of the state forest enterprise. The local people feel unequal disappointedly for themselves. With such situation, the illegal forest land encroachment made by local people is rather popular and they protect these kind of work for themselves.. As reflected by the consulted stakeholders, illegal forest land encroachment almost are realized at night time, it is not easy to prevent and cannot identify who do it, just a few were identified and sent to the court and got fined. In the consulted communes, there is a forest land gathering implemented by some potential individuals who are immigrants, the local farmers who sold forest land and then works as hired worker in their sold forest land with a low paid.

As policy, a number of poor households have opportunity to benefit from the forest protection contract in 12 month base through the governmental program. The local stakeholders said, this is a uncertain and "seasonal" income for a part of the poor and a part of ethnic minorities. The contracted households do not feel secure for the long-term benefit and it is more important that they do not have the long-term ownership of forest, just seasonal work; hence they do not have any sense of reasonability in forest protection and development. Meanwhile, State forest actor said they are in charged of managing the large forest area but a short of resources, so they are not able to prevent the illegal timber logging as well as illegal forest land encroachment.

As the provincial strategy, the economic growth and socialization of forestry is priority, therefore there is the existing policies that support private sector to rent forest land for mining, hydropower and agriculture, ecotourism.... And, Lam Dong also faces with a number of immigrants increased uncontrollably who are almost majority people. With the existing policies and situation, the ethnic minorities seems to have less opportunity to access forest and their livelihood seems to be more insecure. The local people feel that the existing mechanism of forest land management and benefit distribution mechanism is not equal for them and not secure their livelihood.

4.1.2 Governance issue 2

Government agencies' management over the private companies' performance, especially on using of the rented forest land has not comply properly with the law/policies/contract

Right from the start of the consultation at provincial level, the consulted stakeholders display their urgent matter on the ineffective performance of private companies who were given priorities to access forest land according to the provincial policy. By observation, on the way to go to the commune of Da Sar and Da Chay, the research team see the big name board of eco-tourism but it some empty house (it belongs to the private company) . The commune and village stakeholder also complain a lot about the private companies' performance. There is a common opinion that the number of the successful private companies is small. Among the remainders, some get bogged down with the substantial investment at the beginning, some do not fulfill the contract/regulation, especially do not fulfill the social and environment duties, some keep land unused or just cut timber. In reality, such kinds of companies have not been treated yet according to laws or policies, for example, after two years, company are forced to turn back the rented forest land if the forest land are not used properly as rules, in fact, it do not work so. The consulted stakeholders at commune level consider there is a "elite capture" phenomenon in renting forest land to private companies, it needs more evident. One of the causes of this scandalous situation is a lack of a proper monitoring system or weak monitoring system. Up to now, more than 100 private companies were dissolved and as said by the DARD official, they will be checking the private companies more. Now, the question is that *How good did the private companies contribute to the economic growth goal?* is still needed to answer.

4.1.3 Governance issue 3

Law enforcement to prevent illegal forest degradation and deforestation is not very effective.

A unceasing occurrence of illegal logging and deforestation has been confirmed by all consulted stakeholders at all level. They consider that the rooted cause of this problem is the poor enforcement of laws. This is a big problem and also the huge concern of the consulted stakeholders. Basing on the reflected opinions, it comes from a range of reasons, they are:

- In general, the understanding of local people on law is not good enough. In particular, a few know well but deliberately break laws, those are the illegal timber logger who work regularly through the illegal timber logger ring; They influence strongly to forest degradation.
- Number of local people who lack of land voluntarily work for illegal timber logger with low paid just to earn a precarious living;
- Local people encroach illegally forest land for livelihood;
- Local people ignore or weakly cooperate with law enforcement agencies to prevent illegal timber logging even they can be awarded the incentive as policy if they inform to or cooperate with the forest ranger to prevent the forest violation; Some local people express that they do not believe that to inform the forest violation to the forest ranger is the effective way to prevent illegal logging.
- Local authorities often ignore the illegal timber logging and forest land encroachment. The reasons is that the people who work for the illegal timber loggers and do the illegal forest land encroachment are almost their villagers. In the other hand, for the illegal timber logger they are afraid of being taken revenge;
- Forest rangers complaint that they suffer with shortage of human resource, shortage of vehicle and low salary; it is difficult for them to fulfill the duty.
- Forest rangers are interfered by "legal but illegal order" from powerful officials while performance, hence they have to release the illegal timber when arrested.
- Illegal timber logger gang resists violently to protect their illegal timbers even using the stick, hammer and knife;

Reflected by commune authority and heads of village, almost the illegal timber carriers chased and arrested by the forest rangers are small cases, they are the local people with motorbike. But the huge illegal timber carrier like the big truck is almost going smooth without legal tracking down. The natural forest in Bao Thuan and Grung Re has been violating seriously, by observation, the research team see the hug pile of big diameter timber along the road. The truck drivers show their furious faces while we were taking the picture of the timber truck. The local people completely do not know where the

timber comes from. As analyzed above, the local people consider that it is not equal in accessing forest and law enforcement, in Da Sar and Da Chay, the illegal forest land encroachment have been occurred continuously for coffee cultivation by the local people. The commune and village leaders told that a young couple having no land just was on trial for 4 “sao” illegal forest land encroachment, they got a pecuniary penalty of 35 millions VND and 5 years of probation. They more consider that it is not equal for them.

4.1.4 Governance issue 4

Commune authorities, local people almost marginalized from the forest/forest land use and management in their locality.

The management of forest land in Lam Dong is very much centralized, the provincial People Committee is the most powerful or the unique institution in decision making of the forest land planning, renting and allocation. Provincial departments such as Department of Planning and Investment, of Environment and Natural resource management, Agriculture and Rural Development and Department of Finance just play a role as the advisory agencies. The district authority just manages the small forest area and a small number of the small forest land rented private companies. The district authority complains that they are not powerful enough to manage the rented land by the private companies in their locality.

Commune authorities do not have opportunities to participate in decision making process as policy wanted (Grassroots Democracy Ordinance). There is a prevalent trend that they automatically obey the orders or policies from the higher level even they are not satisfied; they also are not strong enough or capable enough in raising voice to protect the local people's legal interest in forest planning, forest land allocation, rent land approval and opportunity to benefit from forest or to complaint.

In almost consulted communes, the commune authorities have no power to monitor the rented forest area by the private companies, even they are not allowed by the private company to enter the rented forest for monitoring. They know nothing when the private companies transfer again and again the rented forest land, just knowing that when the new forest owners appear.

Local people also do not have any opportunities to participated in decision making process in forest planning, forest land renting or allocation as Grassroots Democracy Ordinance defined.

Number of leader of villagers and leaders of forest contracted protection groups reflects that the local people's concern and complaint sent to the agencies are not responded or sold accordingly. They also complaint that the FPES money came late, even now they have not received the FPES money of the second 6 months of year 2012. The contract of forest protection is full information in paper with the plot number and other informations and boudary and they know nothing in reality. Even, in some communes, the contracted people have to follow the path and instructions fixed by the forest owner when going on patrol, they are not allowed go inside the contracted forest area without the forest owner.

In addition, the local authorities and people seriously lack of relevant information such as the policies, laws, their rights to access to forest as the national policy.

All the district and commune authorities propose that they need more power to fulfill their duty as the real forest manager in their location.

4.1.5 Governance issue 5

Inter-sectoral coordination in management of forest land is not effective.

As legally structured, mainly there is two ad-hoc coordination regimes. The first is the coordination among relevant provincial department such as Agriculture and Rural Development, Environment and Natural Resource, Planning and Investment, Finance. The second is the coordination among Interdisciplinary coordination between Forest ranger – Police – Military – Forest State Owner.

At provincial level, almost opinion agreed that the co-ordination of relevant department is weak, it needs the huge improvement. One of the evident is the official data managed by department on forest land differ from department to department. The coordination among relevant provincial department is not good enough that causes the gap or overlapping in an irregular way in managing of natural resources. There are some reasons for this: 1) each department just focus on their own work/benefit, 2) in the meeting, it is often lacking of the leaders, and staffs who attended cannot make any decision but listening, so it cannot go to conclusion; 3) after the meeting, the follow up are poorly done. All stakeholders recognized this weakness, but not any improvement have been done.

At district level, the interdisciplinary coordination between Forest ranger – Police – Military – Forest State Owner is not effective in preventing the forest violation and illegal forest land encroachment. The checking activities with the participation of four agencies are organized in operational phases. Almost stakeholders said that is not really effective; therefore, wastes the public money. Accordingly, the law becomes less respectful by local people.

5. Recommendations

5.1 Governance principles identified for REDD+ in Lam Dong

A society's well being needs to ensure that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups, but particularly the most vulnerable, have opportunities to improve or maintain their well being. In Lam Dong province, almost consulted stakeholders consider, except DARD officials who manage forest, that the local people are not equal in accessing forest resources. As considered by all consulted stake holder, to overcome the illegal logging and deforestation in Lam Dong, it needs a independent monitoring system, strict and fair judiciary which is strong enough to prevent the corruption and elite capture. The rules and regulations needs to be enough, practical and realizable. To get all stakeholders, especially the local forest dweller actively take part in preventing forest degradation and deforestation, the decisions taken and their enforcement needs to be done in a manner that follows rules and regulations to work effectively. It also needs the system to ensure enough information provided in easily understandable forms to all stakeholders, especially the vulnerable people. To improve the enforcement of law/policy/decision and duty of each stakeholder, it needs the structure more accountable to the public and to each institutional stakeholder. To overcome the forest violation in Lam Dong, it must get the active participation of commune, village leader and local people, the participation needs to be well organized. The decentralization needs to be done and the district and commune authority and local people need enough space to participate in, especially the local people must act as the forest owner not hired workers for the private and state forest owners.

Based on the analysis above, for each governance issue, some governance principles are worked out accordingly. The table bellows presented the governance principles needs serious consideration for REDD+ for each governance issue.

Table 2. Identified governance issues and principles.

Governance issues	Governance principles
Existing management mechanism of forest land management is not ensuring opportunities for improving or maintaining local people's livelihood/well being	Equity and Inclusiveness Participation
Government agencies' management over the private companies' performance, especially on using of the rented forest land has not comply properly with the law/policies/contract	Participation Transparency Accountability
Law enforcement to prevent illegal forest degradation and deforestation is not effective	Rule of law
Commune authorities, local people almost marginalized from the forest/forest land use and management in their locality	Participation Transparency
Inter-sect oral coordination in management of forest land is not effective	Accountability

In brief, the framework for ICA, the governance issues identified and agreed by all consulted stakeholders at provincial, district and commune level and the result of priority ranking for the five governance principles presented below:

Table 3. Framework for ICA, the governance principles identified and agreed by all consulted stakeholders.

Governance issues	Governance component			Governance principles
	Policy	Decision making process	Policy Implementation	
Existing management mechanism of forest land management is not ensuring opportunities for improving or maintaining local people's livelihood/well being				Equity and Inclusiveness Participation
Government agencies' management over the private companies' performance, especially on using of the rented forest land has not comply properly with the law/policies/contract		Two main sectors on forest land and forest management taken for analysis 1) Forest protection and Development (Focus on Forest Degradation and Deforestation – D&D)		Participation Transparency Accountability
Law enforcement to prevent illegal forest degradation and deforestation is not effective		2) Forest land Planning, Forest land Allocation, Forest land Renting and Forest protection contract		Rule of law
Commune authorities, local people almost marginalized from the forest/forest land use and management in their locality				Participation Transparency
Inter-sect oral coordination in management of forest land is not effective				Accountability

The important level ranked for each governance issue among five issues presented in Table 4 below.

Table 4. Prioritization of governance issues.

Governance issue Important level (highest to lowest)
1. Inter-sect oral coordination in management of forest land is not effective
2. Law enforcement to prevent illegal forest degradation and deforestation is not effective
3. Existing management system of forest land management is not ensuring opportunities for improving or maintaining local people's livelihood/well being
4. Commune authorities, local people almost marginalized from the forest/forest land use and management in their locality
5. Government agencies' management over the private companies' performance, especially on using of the rented forest land has not comply properly with the law/policies/contract

One concrete governance issue to be discussed in the validation workshop in Lam Dong after consultation is that "Inequality in accessing forest land for local people" is the governance principle, isn't it? There is two opposite opinions: The provincial side, mainly DARD officials, definitely asserts "not", the commune and village side strongly asserts "yes". For this issue, it cannot go to the consensus by all sides at the end of the provincial side claims that the local people cannot manage forest well and they will sell it one day. The commune side said that they need rights to access forest for their livelihood and are able to keep forest well if they have the long-term use right of forest. Until the last minutes, there is still two opposition sides: mainly between DARD officials and the rest.

6. Recommendations on potential stakeholders for PGA process

The PGA process for REDD+ ahead in Lam Dong will require close engagement of different stakeholders to be selected in the province. This engagement would be formulated by two separate platforms/entries: Advisory Group and Assessment Group in order to provide inputs for developing such PGA index. Identifying and selecting relevant organisations and/or qualified individuals for these platforms should rely on findings from institutional analysis and stakeholder mapping above.

In the context of PGA for REDD+, the Advisory Group should be identified as a provisional and multidisciplinary institution consisting of qualified individuals to be selected and represented for provincial authorities and departments, political and social mass organisations, civil society organisations, academic and research institutes, and/or indigenous community institutions. This group could also be extended to engage representatives of key government counterpart such as MARD, MONRE, legal institutions, and international and national NGOs familiar with REDD+ and/or forest governance. With facilitation given by UNDP and VNForest, Advisory Group would be responsible for contributing to development of governance indicators based on defined governance issues and principles, and overseeing whole PGA process to be implemented for the province. However, whether this group is legalised for operation and/or eligible for endorsing PGA findings (or provincial governance index for REDD+) should be further considered for final decision.

A list of selection criteria of Advisory Group members has been discussed and agreed during a multistakeholder consultation workshop in Lam Dong, including (i) willing to follow from the beginning to end; (ii) have relevant forestry experiences; and (iii) willing to share local people's opinions / requests. Based on this, a list of potential members for the Advisory Group is recommended as follows:

- Department of Agriculture and Rural Development (DARD)
- Department of Natural Resources and Environment (DONRE)
- Provincial Board of Ethnicities
- Provincial Forest Protection Department (provincial FPD)
- Provincial Farmers Association
- Provincial Women Union
- District Forest Protection Division (district FPD)
- District Natural Resources and Environment Division (district DONRE)
- Communal Forestry Board
- Private companies

Compared to institutional analysis above, we do not see some crucial actors suggested to this list, including Provincial People's Council (as a local law-making institution), Da Lat University (as academic and consulting institution) or key state-owned forest management organisations such as NP, PFMBs or forestry companies. Once this list is finalised, all members should be trained to strengthen their capacity in REDD+, forest governance and indicator development as well as monitoring of whole PGA process.

Beside the Advisory Group, the research team recommends to set up an Assessment Group consisting of selective individuals who are able to give scores for all governance indicators to be examined for developing provincial index on REDD+ governance. This is a common/basic approach/principle for index development that has been widely used. Members of the Assessment Group might include those from the Advisory Board, but number of assessors must be significant for statistical analysis, probably from 25 to 30 persons as suggested by some experts. More important, Assessment Group members must be fixed and highly committed as they would have to repeat their score-giving in several times to ensure certainty of their assessment for each indicator. A list of selection criteria of the Assessment Group members should be suggested by the Advisory Group. At this stage, based on institutional analysis and stakeholder mapping, the research team would initially recommend a set of potential members as follows:

- 1 member from Provincial Communist Party or People's Council
- 3 members from PPC, DPCs and CPCs as local decision-making institutions;
- 5 members from DARD, FPD, DoF, FPDF and DONRE as sectoral advisory institutions for the PPC;

- 3 member from sub-DARD, sub-FPD, sub-DONRE as sectoral advisory institutions for the DPCs;
- 3 members from provincial mass-organisations (women, youth, farmer associations);
- 2 members from research/scientific institutions such as Da Lat University or Lam Dong VUSTA;
- 5 members from state-owned forest management organisations, including Bidoup Nui Ba NP, 2 from PFMBs, and 2 from forestry companies;
- 2 members from private companies and/or consulting firms
- 3 members from Communal Forestry Boards (e.g. forestry staff or field rangers)
- 3 members as households who are being contracted for forest protection.